FINANCIAL TIMES

No. 25,514 Monday July 26 1971 ** 6p

News Summary

GENERAL

More Sudan rebels shot

Sudanese firing squads yesterday continued to execute army officers for their part in last week's abortive coup. One of them was reported to be Major Farouk Hamadallah, who would probably have been the rebels' Prime Minister.

Col. Babikir el Nour, who expected to become President, was also believed sentenced to death, but his execution was delayed. Restored President, General Nimairi, rejected British pleas *for clemency for the two men*, who were taken off a BOAC airliner by the Libyans and sent on to Khartoum after last Monday's coup had failed.

General Nimairi said that 90 per cent. of the Sudan's reportedly 50,000-strong Communist Party had been "neutralised." Sudan has broken off relations with Iraq for alleged interference in the coup. General Nimairi told Cairo Radio that Sudan would join the federation linking Egypt, Libya and Syria.

Syria closes border

Meanwhile, as King Hussein of Jordan flew to Saudi Arabia for talks with King Feisal on the Palestine Commando situation, Syria and Iraq closed their borders with Jordan *in protest* against the king's military action against the guerillas.

Page 7, Back page.

Ulster bitter over Maudling

The Home Secretary, Mr. Maudling, became the centre of increasingly bitter attack from both Government and Opposition supporters at Stormont over the week-end for his handling of events in Northern Ireland.

Unionists are convinced the Home Office is blocking imprisonment without trial of IRA terrorists and the SDLP says the new phase of the battle announced on Friday amounts to *repression*.

The apparent lack of impact of the dawn swoops on suspected terrorists, coupled with another week-end of violence in Londonderry and Lurgan, has heightened the disillusion of Unionists. Ten soldiers were injured in the Bogside after a boy was killed by an Army *truck*. In Lurgan six buses were burned. Back Page

'Leaks' inquiry spreads

Scotland Yard inquiries into allegations of security leaks in *Government* offices have spread to the provinces. A number of people have been interviewed in a West Country town. The inquiries are likely to continue for some months.

Apollo: smooth countdown

Countdown for to-day's Apollo 15 moonshot, the most ambitious yet attempted, was proceeding smoothly last night as the three *astronauts took* it easy in their quarters. The blast-off is due to take place at 2.34 p.m. this afternoon. Manned Space Flight: Why NASA has lowered its sights. Page 10

Kremlin attacks U.S. and China

Soviet leaders broke their 10-day silence over the forthcoming Peking visit by President Nixon, by voicing fears that a U.S.-Chinese *relationship* could lead to an "unacceptable political combination" against Moscow and its allies. Page 7

In Brief . . . .

Crowds of mournings Liberians burst through a police cordon in a demonstration of frenzied grief when an RAF VC-10 landed at Monrovia with *the body* of the late President Tubman who died *in a London hospital on Friday*.

Bond No. LW257195, owned in *Perthshire, won the weekly* Premium Bond £25,000 prize.

Prof. Christiaan Barnard carried out the first complete heart-lung *transplant attempted in* South Africa.

Belgian *racing* driver *Raymond* Mathay, was killed in a crash during the 24-hour tourist car race at Francorchamps, Belgium.

Alan Rawsthorne, the composer, died in Cambridge aged 66.

Polo: U.S. beat England 9—6 in the Coronation Cup at Cowdray Park.

British Lions beat Auckland 19-12.

Page 3

BUSINESS

The big buyers back CBI price curb

● *BUYERS RESPONSIBLE* for spending £18,000m. a year intend to support the Confederation of British *Industry's* initiative on price restraint. The decision was announced last night by the Council of the Institute of Purchasing and Supply whose members have agreed to do "everything within their *professional* capacity" to extend the CBI policy to all industrial and public buying. Letters from CBI president Sir John Partridge are going to 200 leading companies calling for a written undertaking that in general terms they will not let their *prices rise* by more than 5 per cent. in the coming 12 months.

Back Page

U.S. copper strike peace moves fail

● COPPER PRICES in London were expected to *rise to-day* as the result of failure of attempts to settle the U.S. copper strike. The unions had called a special conference on whether to ratify tentative agreements with two leading producers, Anaconda and Kennecott. But Anaconda has said it has failed to finalise agreements made earlier and Kennecott said it could make no further progress in its peace talks. A shortage of copper is not yet in prospect though this could ensue if the month-old strike continues much longer.

Page 23

● FIVE MORE U.S. RAILWAYS have been given notice of strike action by the United Transportation Union, *bringing the total* of railways halted or under strike notice to 15. The union is acting to support demands for a national contract settlement. The railways have replied by introducing work rule changes which the union opposes.

Page 7

NUBE hits at 'poaching'

● COMPLAINT TO THE TUC is to be made by the National Union of Bank Employees that *the ASTMS—whose move for a* merger was lately rejected by the NUBE—is trying to poach some of its members. Both unions are trying to get recruits in the City. Some bank staff, dissatisfied with a new job-evaluated pay *structure*, have applied to join the ASTMS; their discontent might be met by a pay claim which NUBE and the staff associations are to lodge *next month*.

Page 23

● NATIONAL MANAGEMENT Championship final is to be held in London on Saturday. The four companies—remaining out of 780 starting last January—are: Rolls-Royce (1971); Peat Marwick Mitchell, chartered accountants, one of whose partners is receiver and manager of the old Rolls-Royce company; Crossley Carpets; and Manganese Bronze Holdings.

Page 23

● SEEKING BETTER SPANISH supervision over hoteliers, the Association of British Travel Agents hopes to send a delegation *to Madrid this week*. Over-booking, through which British holidaymakers have found hotels unfinished, is a main topic. The Association wants a 5 per cent. limit imposed on over-booking which, it says, becomes a problem *when it reaches* 30—40 per cent.

Page 5

● EXTRA SAFETY MEASURES are to be introduced in West Germany following its fourth serious rail accident this year. After a four-week survey of express tracks speed restrictions will be tightened where necessary. *Train-to-control communications* are to be improved.

Page 7

● MALTA-LIBYA TRADE PACT which is the aim of talks in Tripoli is expected to lead to direct Libyan investment into Malta's economy, possibly by Libyans and Maltese jointly financing industrial ventures.

Page 7

COMPANIES

● FOSECO MINSEP sale of shares *in* Bamangwato Concessions and Makgadikgadi Coda involves *receipt by the company of* a net £1.5m. in place of a further £2m. investment and absolves it from guarantees, running for up to 11 years, which could reach £11m. Page 25; *Lex*

Wilson facing test as he justifies Market verdict

BY JOHN BOURNE, LOBBY EDITOR

Mr. Wilson this week faces one of his most testing periods as Leader of the Opposition since the Labour Party lost the General Election. On Wednesday he is to give his formal verdict on the terms for British entry into the Common Market to a meeting of the party's National Executive Committee. Labour politicians are convinced that this will be his last chance of justifying his attitude in a way which will carry credibility in the country.

On Wednesday night he has agreed to be interviewed by Independent Television News.

At a lesser, but still important level, there is the reaction of Labour MPs and the public to his 400,000-word account of his five years as Prime Minister, published to-day.

Here again, Mr. Wilson is *being* interviewed—at a Press conference on the book this morning.

So far, political commentators and reviewers have criticised it *mainly on the ground* that it is partly a work of "self-justification." As one interviewer put it last night, when Mr. Wilson appeared on London Weekend Television's *Man in the News*: "Apart from the D-notice affair, I cannot find one instance in the book where you said 'I was wrong.'"

But on one matter concerning the book—the allegation that it has made him a "*rich man*" —Mr. Wilson took the initiative over the week-end. His aim was to mitigate the political harm which he thinks this charge could do to him as leader of a predominantly working class party.

Interviewed by Terence Lancaster in yesterday's People, he said that his bank account was in the red when he left 10, Downing Street, as Prime Minister and that he still has an overdraft, although he has *already received half the money* due to him for his book. The People published a photograph of one of Mr. Wilson's bank statements—a move criticised as *undignified by some of* Mr. Wilson's colleagues.

Unhappy

In his television interview last night, Mr. Wilson said: "At No. 10 I spent a very considerable amount of the money that got me into the red trying to maintain a very large office to *reply to people who wrote to me* from all over the country—I spent a god deal more than 10 per cent.—and which I would not feel it right to ask the Labour Party headquarters to finance."

However, the key question this week *for* Mr. *Wilson's standing* remains the Common Market. Although his immediate position as party leader has never been under threat during the momentous events in the Parliamentary party last week, there is no doubt that a large number of Labour *MPs were unhappy with the way* he came out against the terms in his speech to the special party conference nine days ago.

His apparent condemnation of the terms was all-embracing. He made barely any reference to the *advantages which membership of* the Community could bring to Britain under the right terms.

He seemed to brand the EEC as a bureaucratic inward-looking body which operated chiefly to the benefit of French farmers. *Even some Labour anti-*Marketeers found it difficult to reconcile what he said to the conference with what he had said when he was Prime Minister.

After he has given his final verdict on Wednesday the NEC *will* then be asked to pass a policy resolution for submission *to the annual* conference in October. (Trades union and local party motions for this conference, published yesterday, contain

Continued on Back Page

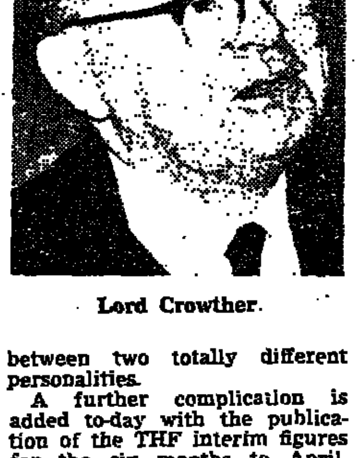
Need for quick settlement of Trust Houses Forte row

BY SANDY McLACHLAN

THE BOARDROOM split at Trust Houses Forte is apparently irreconcilable. It became clear yesterday *that the only solution* is an extra-ordinary general meeting of shareholders, who will be asked to choose between Mr. Michael Pickard and Sir Charles Forte. It was announced late on Friday night that Sir *Charles and his supporters* had ousted Mr. Pickard from the position of managing director at a Board meeting that afternoon. Mr. Pickard remains a director.

It is clear that in a showdown Mr. Pickard *will have the* support of Lord Crowther, chairman of Trust Houses Forte. His support could be crucial, since the effective decision lies not with the *bulk* of shareholders, but with the Trust Houses Forte Council, who are trustees to the company and can exercise 50 per cent. of the votes.

It is possible, though unlikely, that the Council might abstain. But the support of the chairman for Mr. Pickard would certainly weigh heavily in its consideration.



Lord Crowther.

Profit figures

The whole issue has been clouded by publication of the Department of Trade and Industry report on International Learning Systems Corporation and the *interim* report on Pergamon Press. In this report Mr. Pickard is criticised in his capacity as a director of British Printing Corporation.

The allegations in the report, which are being challenged by *Mr. Pickard through BPC and* by BPC itself, have been seized on by the Forte's side of the THF Board, but are irrelevant otherwise in the THF schism. The *real problem is a clash* between two totally different personalities.

A further complication is added to-day with the publication of the THF interim figures for the six months to April. These *show a pre-tax* profit figure of £251,000 for the merged group, against £691,000 for Trust Houses alone last year. After taking minority interests into account the figures come out at £409,000, against £689,000.

Commenting on these figures yesterday, Lord Crowther said it was ludicrous to expect interim figures from a seasonal group such as THF. He and Sir Charles Forte have reaffirmed that profits for the full year will show an increase over the £9.36m. last year.

Although the year may not *turn out as* well as the Board's optimistic hopes, it is believed that all divisions are doing better than last year.

Certainly Lord Crowther feels *that the company is doing well.* Yesterday he commented: "The *merger has been extremely successful* except in the Boardroom." He pointed out that the figures for the two half-years cannot be compared, since Forte normally makes a loss in the trading period referred to. He added that the three-month trading period of Forte omitted from the 1970 figures was not normally profitable.

Strong efforts

Lord Crowther would not comment yesterday on the Boardroom split. It is no secret, however, *that the split is straight* down the middle between the ex-Trust Houses directors and the ex-Forte directors, as evidenced by Friday's statement by the Trust Houses camp supporting Mr. Pickard.

The *situation* cannot be allowed to stand until the next annual meeting, which is not due until April, 1972, and full reconciliation appears impossible. An extra-ordinary general meeting is therefore the only apparent solution, and the real question now is how will the two sides line up.

Clearly the deadlock between the two factions must be resolved *in favour of either Mr. Pickard* or Sir Charles—who still retains a substantial shareholding in the merged group, but not enough to challenge the council of the trustees.

Strenuous efforts are being made to prevent the question being put to shareholders as a choice of one or other of the *parties leaving the company*. It is felt within the group that the departure of either Mr. Pickard or Sir Charles from the scene would not be in shareholders' long-term interests.

Lex, Back Page
Men and Matters Page 10

Lockheed Bill: new plea by Nixon

BY GUY DE JONQUIERES

WASHINGTON, July 25.

IN AN APPARENT effort to paper over signs of disagreement *inside his Administration*, President Nixon has called on Congress to take speedy action on legislation which would grant $250m. in loan guarantees to the Lockheed Aircraft Corporation.

In a statement issued by the White House *this weekend*, Mr. Nixon asked Congress to "enact this legislation with all deliberate speed, and in any event, before the August recess."

Useful

Although the President asked *originally only for the $250m.* in guarantees for Lockheed, both Houses of Congress now have before them proposals which would make available up to $2,000m. in assistance for any large corporation in financial *difficulty*.

Mr. Nixon said he "fully" supports the broader legislation which "would be most useful in providing a systematic procedure *for helping any major business* enterprise" whose bankruptcy would damage either the national or a *regional* economy.

The President's personal intervention was apparently aimed at removing the impression that a rift has grown up inside the Administration. This emerged last week, when both the Secre*tary of Defence*, Mr. Melvin Laird, and according to reports his deputy, Mr. David Packard, sharply criticised the broader legislation initiated by Congress.

Mr. Laird was reported as saying on Friday that he fully supported the *critical* position taken by Mr. Packard, who said he feared that passage of the $2,000m. Guarantee Bill would lead to the feather-bedding of Government defence contractors. Mr. Laird added: "There is a *difference* within the Administration. I don't think you can say there is not."

This week-end, however, Mr. Laird issued another statement saying that he supports the broader legislation. He described as "*erroneous*" and "*unfair*" *news reports suggesting* that he and Mr. Packard opposed it.

The main potential obstacle to approval of the legislation lies in the Senate, where a group of opponents, led by Senator William Proxmire, are fighting a battle of delaying tactics to keep the *issue from* the vote. In an attempt to circumvent this opposition, a vote to limit debate to 100 hours will be held tomorrow.

This vote is generally expected to fail and if it does, a second similar *resolution will* probably be set for Wednesday. The House of Representatives is expected to vote on the Bill later in the week and will probably approve it.

Tough policies

The exact extent to which there had been an Administration split over the Lockheed Bill was further befogged by Mr. John Connally, Secretary of the *Treasury, when he discussed the measure on national television* this morning.

He said that Mr. Packard, backed by Mr. Laird, had "preferred the Lockheed Bill versus the $2,000m. generic Bill, and I don't have any problem with that, *if that is what he thinks. But* it is not the Administration view. I know that he has not been enthusiastic about this programme from the outset, and that it fine."

He explained the rift by saying that Laird and Packard had initiated some tough procurement policies for defence spending *(which should make future* defence contracts rather tougher than in the past) and that they did not want the broadened Lockheed Bill to make it look as though legislation was simultaneously going through that *would bale out defence* contractors if they got into trouble over these new tough policies. "That's the thrust of their position," he said, "and I don't have any argument with that."

Fourth TriStar joins flight tests, Page 23

ICI plans to raise £15m. in £-Dm offer

By William Low

ICI International Finance, a wholly-owned subsidiary of Imperial Chemical Industries, plans to raise £15m. on the international capital market through a Sterling-D-Mark bond offering.

The issue, the first £-DM loan since 1968, will be managed by S. G. Warburg, Deutsche Bank, and J. Henry Schroder Wagg. Part of the proceeds of the 15-year offering, which will be guaranteed by the parent company, will be used in West Germany.

Option

Subscribers to the bonds will *have the option of paying in* sterling or D-Mark, and a similar option exists to receive payment of principal and interest at a £-DM exchange rate which will be fixed *when the subscription* agreement is signed, probably on August 4. The coupon is expected to be 8 per cent. and the bonds will be quoted on the *London Stock Exchange*.

Last March the same borrower *was forced to withdraw from the* market its proposed $30m. Eurodollar bond loan because of adverse conditions. This time, however, the issue is expected to attract a strong response.

Joseph will continue his Cunard buying

By Sandy McLachlan

MR MAXWELL JOSEPH, a director of Cunard, said yesterday that he would continue to buy Cunard shares in the market.

As reported on Saturday, Mr. Joseph then revealed that he had been in the market in a private capacity buying the shares.

His statement yesterday said he supported and was in full agreement with Mr. Donald Forrester, another Cunard director, who is also buying Cunard shares in an attempt to frustrate the 200p-a-share bid from Trafalgar House Investments.

No secret

Mr. Forrester, who resigned from the Cunard Board last November, but recently rejoined at the unanimous request of the other directors, *has made no* secret of his opposition to the terms of the Trafalgar offer. He is the largest private individual shareholder in Cunard, with around 3 per cent. of the equity.

On Friday he said that he did not necessarily object to a bid from Trafalgar in principle, but added that in his view the current offer was far too low.

Undertaking

The Cunard Board's official reaction to the Trafalgar offer *is expected some time this week.* There is no doubt that it will take the form of a rejection, *since this* was an undertaking required of the Board by Mr. *Forrester before* he consented to rejoin it.

It has been made quite clear by Mr. Joseph that he is acting in a purely personal capacity and that his share purchases have no connection with Grand Metropolitan Hotels, of which he is chairman. Grand Met was a potential bidder for Cunard before Trafalgar's intervention, but has stated categorically that it will not counterbid.

Big spending in North on home appliances

BY HAROLD BOLTER, INDUSTRIAL CORRESPONDENT

DOMESTIC APPLIANCE sales soared to their *highest* level for five years in parts of the U.K. on Saturday, particularly in the North-West, and some manufacturers believe that stocks could be run down to very low levels over the next few weeks.

The week-end response to the *Chancellor's decision* to cut purchase tax and end hire purchase restrictions was somewhat patchy, but colour TV, washing machine, refrigerator and cleaner manufacturers were jubilant. There was also some evidence of a boom in car sales starting to get under way.

The Saturday spending spree was at its peak in the North of England, while major retailers in the South experienced little improvement in sales, although some stores said that trading remained buoyant.

Optimism

Although Hoover, a leader in the domestic appliance field, is confident about its stock position, *Mr. Peter Goode, the* group's marketing director, said last night that the three factories, which closed on Friday for the two-week holiday, would be put on three-shift working on their return. There would also *be extensive over-time working*.

Neither retailers nor manufacturers had expected sales to improve as much as they had until September.

Hoover carried out a detailed assessment of the mini-Budget effect on trade at the week-end, and reported that there was "a tremendous feeling of optimism that business is turning up."

Among its findings was that *sales of its appliances rose by* 500 per cent. over any previous Saturday figure, at the T. J. Hughes store in Liverpool on Saturday, 320 per cent. at the Owen and Owen store in the city, and "quite dramatically" at other outlets.

In Manchester, where purchase tax and hire purchase concessions coincided with the end of a promotion campaign, Hoove[r] *sales also shot up by 500 pe[r]* cent. at an Electricity Boar[d] showroom.

"At the Yorkshire Electrici[ty] Board showrooms in Leed[s] where we sold only six appliance[s] on the previous Saturday, we sol[d] 41 this Saturday," Hoover sa[id].

A 300 per cent. increase [in] sales was reported by a distr[i]butor at Newcastle-on-Tyne.

The picture was very differe[nt] elsewhere. Only marginal sal[es] increases were experienced [in] Glasgow and Edinburgh (unem]ployment in Scotland is at [its] worst level for over 30 year[s]) and in stores the Birmingha[m] area, where the industrial ho[li]day is under way. Discou[nt] houses in the West Midlands d[id] good business however.

There was very little improv[e]ment in sales in Bristol and Ca[r]diff, where industrial holida[ys] are also being taken. Althou[gh] Hoover emphasised that normal[ly] it would expect a fall at th[is] time of the year.

Although business in the Sou[th] was generally slightly abo[ve] average, and one or two stor[es] *reported marked increases, ma[ny]* consumer interest appeared [to] be concentrated on the purcha[se] or rental of colour TV sets.

'Non-event'

According to Selfridge's, t[he] *cuts in purchase tax were* "a non-event" as far as the impact on Saturday's trade w[as] concerned.

Interest in more expensi[ve] goods, such as refrigerators a[nd] furniture, was high howev[er] *because of the store's ability* [to] offer improved deferred payme[nt] terms. Deferred payment pu[r]chases were assessed at "tw[o] or three times the normal leve[l]."

The John Lewis Partnersh[ip] said there appeared to be ve[ry] *little reaction to purchase t[ax]* cuts, and "a bit of interest [in] hire purchase," at its stores [in] London, Watford and Cambridg[e].

ON OTHER PAGES

Letters to the Editor

BRACKEN HOUSE, CANNON STREET, LONDON, EC4

Common Market debate

Sir,—It is claimed that the standard of living of the people in the EEC is higher than that of the British. It would be interesting to know on what statistical basis this claim is made, since a study of the handbook issued by the Statistical Office of the European Communities, 1970, reveals the following comparisons:

	U.K.	Community
Nutritional value of food consumption: (calories per head per day)	3,180	3,040
Consumption of vegetable products: (kg. per head per year)		
Grain (as flour)	72.5	88.7
Rice	1.4	2.1
Potatoes	102.0	87.7
Refined sugar	44.5	31.0
Vegetables	44.5	110.3
Consumption of animal products: (kg. per head per year)		
Meat	71.0	67.6
Eggs	16.3	14.7
Fats	15.2	19.1
Butter	7.4	5.5
Milk	147.0	84.1
Consumption of electricity (kWh): (per head of pop'n) Industrial	1,610	1,585
Others uses	2,080	979
Motor vehicles in use (per '000 pop'n)	207	202
T.V. sets (per '000 population)	279	196
Telephones (per '000 population)	232	167

On this basis it would appear that, with the exception of some vegetable products, the U.K. is head of the Community in its standard of living.

Edward Holloway,
Director,
Commonwealth Industries Association.
0, Buckingham Gate, S.W.1.

Comparison with U.S.

Sir,—Some time ago, Mr. Wedgwood Benn casually suggested that as a member of the Common Market, Britain would still possess more sovereignty than an individual state of the U.S. If this view was a fair reflection of the briefings provided to the previous government, then it is not surprising that the facts now emerging are beginning to disturb some ex-ministers.

Every State of America, even little Rhode Island, is free to levy whatever indirect taxes it wishes. It need not accept a doctor or dentist from another state unless its own standards are met to its satisfaction. There is no American company law. Most of the big firms like General Motors are "Delaware corporations." California prohibits the addition of sugar to wine (a prohibition that the EEC has just forced Germany to relax). For journeys and shipments occurring entirely within its borders, a State legislates on drivers' hours and vehicle weights. Each State is free to use "tax holidays" to induce new industry to settle; it is free to forgive its road haulage firms their licence fees during a lorry drivers' strike; it is free to say that margarine may or may not be sold, or that margarine must not be the colour of butter; it is free to outlaw or permit Resale Price Maintenance; it is free to legislate in a thousand ways that are, or will soon be, denied to the countries of the EEC.

It is true that the American constitution can in some respects be amended without the consent of all the States but the fact is that these local economic powers have been left undisturbed.

Why has Mr. Rippon not got us at least as much? Why must Britain push half a continent into a uniform mass that American experience shows is simply not needed?

L. Albert.
126, Green Lane, Northwood, Middlesex.

Free movement of capital

Sir,—Messrs. Courtney (July 21) and Simmerson (July 19) are to be congratulated for pointing out the leading economic danger of EEC entry, which is that free movement of capital will mean that much British capital is invested near the Market's centre, on the Continent, so that our workmen will have to go abroad to work.

There is strong historical evidence that unions impoverish peripheral areas. In 1801 (the year of Union) Ireland's population was one half of England's: now it is one-eleventh and 90 per cent. of Irish people live abroad. Scotland can tell a similar story and so can Southern Italy.

Further to this, dissolution of most of our regional policies, as EEC requires, will mean that Scotland, Wales and Northern Ireland will be doubly hit and may become well-nigh depopulated. It is interesting to observe that Southern Italy is worse off than ever relative to the North since EEC started.

On July 12 Mr. Heath told us: "I have a vision of a Europe once united, 1200 years ago, and which will come together again . . . in which younger people will have greater opportunities in their careers." The May 18 Agreement, whereby up to 200,000 British workmen will be exported to Germany shows what this opportunity amounts to.

G. J. A. Stern.
6, Eton Court, Shepherds Hill, N.6.

Weakening the West

Sir,—Mr. Procter (July 21), answering my letter, claims that Mr. Wilson made it clear at the recent Labour Party Conference that the alternative to joining the EEC "is to move into the Russian and/or Chinese orbit." There do not in fact appear to be any such references in Mr. Wilson's speech, as reported in your columns.

The point I was trying to make is that the frequently repeated doctrine, quoted by Mr. Heath on July 12, that Herr Brandt's Ostpolitik (and indeed other forms of agreement with Russia, such as the European Security Conference) are made possible by a United Europe, conveys a false impression. Herr Brandt's policies are likely gravely to weaken Western forces, and the European Security Conference would be, in the words of the Secretary-General of NATO, "a perfect instrument leading to a new regional system of security in Europe which would inevitably be controlled by the Soviet Union."

K. T. Moore.
20, Queenborough Gardens, Ilford.

Public opinion polls

Sir,—Mr. Roland Freeman (July 21) points out that public opposition to joining the Common Market has fallen from 60 per cent. to 44 per cent. over the last few months as indicated by public opinion polls.

I submit that the Common Market question is such a "political" issue that it cannot be dissociated in the public mind from the popularity for the moment of the Government. Thus the question "Are you for, or against the Common Market?" to many people is synonymous with "are you for or against Mr. Heath's Government?" Therefore a referendum would not be sounding the electorate's true feelings.

If Mr. Barber's mini budget has the desired effect, no doubt the present Government will become more popular and I predict that as the Government becomes more popular so the number in favour of the Government's Common Market policy will sharply increase. Time will tell.

Michael Colston,
Chairman and Managing Director, Colston Appliances. High Wycombe.

One by a fan club

Sir,—Why did not your correspondent Mr. R. Freeman mention that one of the opinion polls that showed a swing to the Common Market was organised by the European Movement?

Rather like the Ted Heath fan club running a poll on his popularity in the country.

H. G. Bearston.
45, Harrowdene Road, Wembley.

Lack of secret ballot

Sir,—I would agree with Mr. J. A. Clements (July 21) that democracy involves government by the people, but would have thought that its continuance necessitates adhering to constitutional practice.

The Representation of the People Act is not a restrictive piece of legislation but provides necessary safeguards against inefficiency and corruption.

I would not attribute the latter to the organisers of the Hexham referendum, but feel certain that the great majority of your readers care sufficiently for democracy to require a secret ballot in any poll which purports to be of national importance.

Lack of a secret ballot in this instance coupled with the absence of any supervision during the counting of votes can only lead to charges of amateurishness and irrelevance, both of which I am entitled to reiterate.

R. Brian Baird,
Chairman,
Hexham for Europe Committee,
Hunter House, Nr. Edmundbyers, Co. Durham.

Train track buckling

Sir,—Despairing of being able legibly to complete the Financial Times crossword of July 22, due to the shaking I was receiving from British Rail, my eye strayed to a letter on the same page entitled train track buckling (Mr. A. Kemp).

All this buffeting to which the train is subjected surely originates from the points of contact of wheels and rails? In effect, the one hammers the other. If a long piece of steel is hammered does it not tend to be "drawn out" or elongated?

If there is a connection in between the utilisation of passengers as mobile vibrating machines and the elongation with consequential buckling of the railway lines, it is to be hoped that the steps taken to prevent further disasters may result in the creation of travelling conditions which permit the filling in of crosswords.

W. T. Bunbury.
13, Gledhow Gardens, SW5.

Anti-creep devices

Sir,—While agreeing generally with the views expressed by Mr. Fenton (July 19), I must take issue with him over his statement that anti-creep devices allay but do not prevent creep. I venture to suggest that this opinion is based either on the use of an inferior design of rail anchor or on the incorrect use of efficient rail anchors.

The function of a rail anchor is to transfer the creep forces from the rail to the sleeper against which the anchor bears. The limiting factor in any system of rail anchorage is, therefore, the resistance of individual sleepers to bodily movement through the ballast in which they are bedded. This resistance depends on various factors such as length of sleeper (in turn controlled by the gauge of the track), quantity and quality of ballast and standard of maintenance.

It follows then that for effective rail anchorage—that is the complete prevention of longitudinal movement of the rails—the creep forces must be distributed between the sleepers within their capacity to resist movement. Incomplete understanding of these basic principles has resulted, in many countries, in the use of an insufficient number of rail anchors for the creep conditions prevailing with the result that sleepers are displaced or skewed.

An efficient one-piece rail anchor has a holding capacity on the rail foot far in excess of the sleeper resistance and will never slip along the rail under applied creep loads. It follows then that if sufficient anchors are provided in every rail length so that the creep load transferred to each "anchored" sleeper is less than the load required to move the sleeper, creep can be positively prevented.

I personally know of countless cases where rail anchors, correctly applied and in sufficient numbers to bring about this condition, have stopped all further movement of the rails and eliminated the wasteful operation of "pulling back."

W. A. H. Watts.
The Plassey, Eyton, Nr. Wrexham.

Commercial vehicles

Sir,—In his letter of July 21 Mr. French touches only the fringe of the problems that have brought about a reduction in the demand for heavy vehicles and the consequent short time working by British manufacturers.

Although shortage of spares from time to time causes yet another committee to be set up by hauliers to discuss the item with manufacturers, basic designs are good and in the main most road hauliers are loyal to the British goods vehicle manufacturer, and for a variety of other reasons do not prefer foreign vehicles.

The undoubted drop in vehicle orders is due principally to the uncertainty that the road haulage industry itself is facing following the massive transport legislation during 1967 and 1968. Capital investment is at a very low ebb. Resulting from the new laws requiring plating and testing of heavy vehicles many were replaced before their normally accepted life and this has also resulted in a slowing up of demand.

We, however, have seen a stagnation in industrial production and the freeing of carriers' licensing restrictions has resulted in the simple fact that there is far too much vehicle capacity chasing too few goods at the present moment. Not a very auspicious time for investments in an industry that has never had a large profit margin and has faced escalating costs in all sections on an unprecedented scale.

It is still a small man's industry and this in itself brings many economic difficulties to establish stable haulage rates which would give adequate recompense to the operator.

Many old-established haulage companies, particularly those owning properties which have vastly increased in value over the years, are quietly folding their tents and disappearing from the scene. The winds of change that are sweeping through the industry will continue to blow very strongly for several years to come. Eventually we shall finish up with a much more highly professional industry than we have seen in the past; certainly it will be much larger units with more intensive use of vehicles and it is factors such as these that the future demands of heavy goods vehicles will be based.

L. Walsh.
Bybrook, Manor Road, Wantage.

London rents

London office rents

Sir,—Mr. O'Halloran (July 16, page 24) wonders if he and LOB can be living in the same London. I think it quite possible that we can. Certainly we are not alone in ours. Our assessment of rental levels for offices in the City and West End is based upon professional advice. We ourselves, by the nature of things, are more expert on decentralised offices. If Mr. O'Halloran would thumb through the property press in the early part of the year (our recently-published annual report only takes us up to March 31) he will find the following quotes: "a ceiling of about £15 per sq. ft. in the City has now been reached." "In the West End rents might average £8 per sq. ft. for first-class accommodation." "Rentals in the City have increased to £13-£15 per sq. ft." "In prime positions (in the West End) rentals are now as high as £9-£10 per sq. ft."

The truth is that no one can say what "average" rents are; they range from the extreme of £35 reported as having been paid for a banking hall to examples known to us through our clientele of rents of a few pence. We are talking about the asking rents for new or modern buildings in good positions, as witnessed by professional land practitioners. If Mr. O'Halloran is talking about a more general average, he may be right too. But there are quite a number of businesses who would still consider even a rent of £8-£8.50 a bit on the high side! LOB's publicity assumes a potential saving on rent of £7 per sq. ft. as a result of moving out. The fact that there is so little space to move out to is one reason why tenants can be found in the central area, however reluctant they may be. I do not think we have ever said that there are not tenants about. But there would be quite a few less in the City and West End if the office control outside the central area were to be lifted or relaxed.

L. W. Aldous, Secretary,
The Location of Offices Bureau,
27 Chancery Lane, W.C.2.

Malta's demands

Sir,—Mr. G. G. McNally (July 22) seems to think that to dispense with all protection is a guarantee of a continuation of a simple and happy state of existence.

He may care to cast his mind back as to what happened in the Channel Isles in World War II. I was one of the people who went out to Jersey to assess the damage.

D. S. Edgar.
7 and 8, Chandos Street, Cavendish Square, W1.

An example to others

Sir,—The letter from Mr. Gordon L. McNally is all very true, as far as it goes. But it is amusing how blind we can be to the obvious when we have a case we wish to prove.

The fact is that if Britain walked out of Malta and subsequently a war broke out, the Russians would walk into the island—and pay nothing for the privilege. The latter case would be worse than the former.

Dom Mintoff does not seem to be handling the situation with any high standards. If we allow ourselves to be bullied and threatened into paying substantially more there are other nations in the world which will take the hint and rush to abrogate agreements. When people or groups feel they are in a position of power or advantage (the unions are a case in point) there tends to be no end to their threats and demands and woe betide those who once show weakness or intimidation. Such groups easily prove to their own satisfaction that their overweening demands are more than justified. By brainwashing repetition they persuade many others. This seems to be a rule of human nature—as well as of the jungle—and applies irrespective of creed, race or political persuasion. Few are the people and fewer the groups who rise above it.

R. Holden.
49, The Hall, Blackheath, S.E.3.

TV/Radio

* Indicates programmes in black and white

BBC 1

12.00 Cricket: First Test Match, England v India. 1.30 p.m. Watch With Mother. 1.45 News. 1.55 Apollo 15 Countdown—Blast-off 2.34 p.m. 3.00 Cricket: Test Match—England v India. *4.40 Jackanory. 4.55 It's Your Word. 5.15 Yogi Bear. 5.20 Belle, Sebastian and the Horses. 5.44 Abbott and Costello.
5.50 News.
6.00 Apollo 15: Lift-off for the Moon.
6.20 London This Week.
6.45 He Said, She Said.
7.05 A Taste for Adventure: A Park in Peru. . . .
7.30 The Goodies.
8.00 Panorama.
9.00 Nine O'clock News.
9.20 Brett.
10.10 Monty Python's Flying Circus.
10.40 24 Hours.
*11.15 Swim, Part 5.

All Regions as BBC 1 except at the following times:—

Wales—11.25 a.m.-1.30 p.m. Cricket (and 3.00-4.40) County Championship, Glamorgan v Northampton (shared with Test BBC 1). *1.30-1.45 Ar Lin Mam. *6.20-6.40 Wales To-day. 6.40-6.45 Donald Duck. *6.45-7.05 Heddiw. 10.10-10.40 Ble Carech Chi Fynd?

Scotland—*6.20-6.45 p.m. Reporting Scotland. *11.42 Scottish News Headlines.

Northern Ireland—*6.20-6.45 p.m. Scene Around Six. *11.42 Northern Ireland News Headlines.

England—*6.20-6.45 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands To-day (from Birmingham); Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight South-West (from Plymouth). 11.42 Regional News Headlines.

BBC 2

11.00 a.m. Play School
4.30 p.m. Cricket: First Test Match, England v India
*6.35-7.0 Open University: Social Sciences
7.30 News
8.00 Alias Smith and Jones
8.50 Call My Bluff
9.20 The Family Of Man
10.10 Thirty-Minute Theatre
10.40 News On 2
10.45 Late Night Line-Up

LONDON

1.50 p.m. The Communicators. 2.15 Apollo 15. *2.45 People to People. *3.15 Matinee. *3.35 Tales Of Edgar Wallace. 4.40 Yak. 4.55 Lost In Space.
5.50 News From ITN.
6.00 Soup On Sunday.
*6.30 Crossroads.
6.40 Opportunity Knocks.
7.30 Coronation Street.
8.00 The World Of Whicker.
8.30 You're Only Young Twice.
9.00 The Sinners.
10.00 News At Ten.
10.30 The Name Of The Game.
11.55 The Photographers: Tony McGrath of the "Observer."

All ITV Regions as London except at the following times:—

ANGLIA

*4.20 p.m. Anglia Newsroom. 4.30 The Romper Room. 4.55 Flipper. 5.15 Follyfoot. 6.00 About Anglia. 10.30 Probe. 11.00 Randall and Hopkirk (Deceased). 11.58 The Big Question.

ATV MIDLANDS

3.35 p.m. Tomorrow's Horoscope. 3.40 Women Today. 4.10 Peyton Place. 4.40 Origami. 4.55 Bush Boy. 5.15 Follyfoot. 6.00 ATV Today. 10.30 University Challenge. *11.00 Personally Speaking: Dr. Roger Pilkington.

BORDER

4.08 p.m. Border News Headlines. 4.10 High Living. 4.40 Origami. 4.55 Skippy. 5.15 Follyfoot. 6.00 Border News and Lookaround. 6.15 University Challenge. 10.30 The Name of the Game. 11.50 Border News Summary.

CHANNEL

3.00 p.m. A History of Motor Racing. 3.58 approx. Interval. 4.00 Once Upon a Time. 4.10 Puffin's Birthday Greetings. 4.20 Moment of Truth. 4.50 Woobinda. 5.15 Follyfoot. 6.00 Channel News and what's on where. 6.15 The Flintstones. 10.32 University Challenge. 11.03 The Avengers. 11.55 Visages de France.

GRAMPIAN

4.21 p.m. Grampian news headlines. 4.25 Origami. 4.55 Cowboy in Africa. 6.00 Grampian news and farming news. 6.15 Junkin. 10.30 University Challenge. 11.00 Evening Prayers.

GRANADA

4.10 p.m. News, followed by *Peyton Place. 4.45 Once Upon a Time. 4.55 Rocket Robin Hood. 5.15 Follyfoot. 6.00 Newsday. 6.15 The Beverly Hillbillies. 10.30 University Challenge. 11.00 The F.B.I.

HTV

*3.35 p.m. Ballet For All. 4.05 Interlude. 4.08 To-morrow's Horoscope. *4.13 Moment of Truth. 4.30 Women Only. 4.55 Skyhawks. 5.19 Follyfoot. 6.01 Report West. 6.22 Report Wales. 10.30 The Rule Book. *11.00 Film Club.

SCOTTISH

...10.35 a.m. Double Talk. *4.15 p.m. Penny and Sonny. *4.30 Castle Haven. 4.55 Holiday Cavalcade. 5.15 Follyfoot. 6.00 Scottish News. 6.15 The Flintstones. 10.30 Once Upon A Song. 11.00 Talking Heads. 11.30 Late Call. *11.35 McQueen.

SOUTHERN

3.10 p.m. Yoga For Health. 3.35 To-morrow's Horoscope. 3.40 Women To-day. 4.10 Houseparty. 4.20 Mr. Piper. 4.25 The Best of Lucy. 6.00 Day by Day. 10.30 University Challenge. 11.00 Southern News Extra. 11.10 Farm Progress.

TYNE TEES

*3.00 p.m. You and Your Child. 3.25 Play Better Tennis. 3.50 Interval. 4.10 North East Newsroom. *4.15 Katie Stewart Cooks. 4.40 Paulus. 4.55 Skippy. 5.20 Follyfoot. 6.00 Today at Six. 6.25 Love American Style. 10.30 Your World this week. *11.00 The Wild, Wild West. 11.55 Late News Extra. 12.10 a.m. God in good season.

ULSTER

*4.30 p.m. Romper Room. *4.50 Ulster News Headlines. 4.55 The Lone Ranger. 5.20 Follyfoot. *6.00 UTV News. *6.10 Get Smart. *6.35 Cartoon Time. *10.30 Monday Night. *10.35 Late Movie: "Urge to Kill," starring Patrick Barr, Ruth Dunning and Howard Pays.

WESTWARD

*3.00 p.m. A History of Motor Racing. 3.58 Westward News Headlines. 4.00 Once Upon a Time. 4.10 The Gus Honeybun Show. *4.20 Moment of Truth. 4.50 Woobinda. 5.15 Follyfoot. *6.00 Westward Diary. *6.20 Sports Desk. 10.30 University Challenge. 10.59 Westward Late News. 11.03 The Avengers. 11.56 Faith for Life.

YORKSHIRE

3.00 p.m. Houseparty. 3.15 Living Architects. 3.40 Yoga for Health. 4.10 Calendar News. *4.15 Matinee. 4.40 Once Upon a Time. 4.55 Woobinda Animal Doctor. 5.20 Follyfoot. 6.00 Calendar. 6.15 Arnie. *10.30 Edgar Wallace. 11.30 Tales of Unease.

RADIO 1 — 247m

Time checks up-to-the-minute traffic reports and News summaries at 5.30 a.m., 6.0, 6.30, then every hour on the half-hour until 2.30 p.m., 3.00, 3.30, 4.00, 4.30, 5.30, 6.30, 7.00, 8.00, 10.00, 11.00, 12 midnight. 1.00 a.m., 2.00 Weather at 5.32 a.m., 6.02, 6.32, 7.32, 8.32, 3.32 p.m., 6.32, 7.02, 2.02 a.m.
5.30 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Johnnie Walker. 10.00 Jimmy Young. 12.00 Radio 1 Club. 2.00 p.m. Tony Brandon (2.32-2.36 as Radio 2). 3.02 As Radio 2. 3.03 Terry Wogan. 5.00 What's New. 6.00 Sounds of the 70s. 7.03 p.m. until 2.02 a.m. Radio 1 joins Radio 2.

RADIO 2 — 1,500m; VHF

News summaries at 5.30 a.m., 6.00, 6.30 (VHF and 247m), 7.00, 7.30, 8.00, then every hour on the hour until 3.00 p.m., 4.01, 4.30, 5.00, 5.30, 6.00, 6.30, 7.00, 8.00, 10.00, 11.00, 12 midnight, 1.01 a.m., 2.00. Weather at 5.32 a.m., 6.02, 6.32, 7.02, 7.32, 8.02, 9.02, 5.32 p.m., 6.32, 7.02, 2.02 a.m.
5.30 a.m. News. 5.32 Breakfast Special. 8.27 Racing Bulletin. 8.55 Pause for Thought. 9.02 Peter Murray's Open House. 11.02 Morning Story. 11.15 Waggoners' Walk. 11.30 Chacksfield in Limelight. 12.02 p.m. Sam Costa. 1.50 Sports Desk. 2.02 Cricket Hour (2.32 to 2.36 Apollo 15 blast-off). 3.02 Apollo 15—further report. 3.03 Terry Wogan. 4.15 Waggoners' Walk. 4.31 Sports Desk. 4.40 Charlie Chester: music, letters and stars on disc (5.24 to 5.25 Apollo 15—report). 6.02 Album Time. 6.45 Sports Desk. 7.03 Country Style. 8.01 Sports Desk. 8.02 Sweet 'n Swing: music. 8.45 Helen McArthur with a Smile and a Song. 9.15 Concert Grand. 10.02 Racing Results. 10.04 Late Night Extra. 12.00 Midnight Newsroom. 12.05 a.m. Night Ride. 2.00 News.

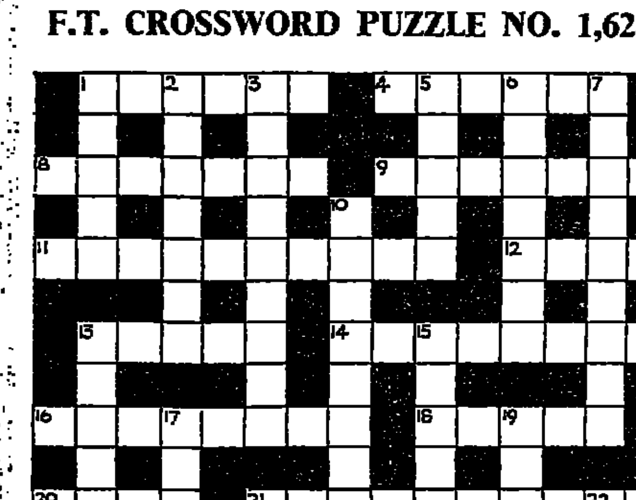
RADIO 3 — 194m, 464m; VHF

7.00 a.m. News. 7.05 Morning Concert: Suppe, Saint-Saens, Bizet, Mendelssohn, Prokofiev, Mozart. 9.00 News. 9.05 This Week's Composer: Handel on gramophone records. 9.45 British Song: Julius Harrison, Walford Davies, Peter Warlock. 10.15 The French Symphony Since Berlioz: Lalo, Chausson, Franck, gramophone records. 11.25 Test Match Special: England v. India—First Test Match. 11.25-1.35 Commentary; 1.35-1.40 News; 1.40-1.55 Scoreboard; 2.10-4.20 Commentary; and 4.30-6.00 Commentary: 6.00-6.30 (medium wave only) Commentary continued; 6.30-6.37 Close-of-play summary; 6.00-6.30 VHF Open University: Arts 24. 6.37 Stock Market Report. 6.40 Turina on gramophone record. 7.00 The Proms: Boris Godunov—Opera in four acts, Act 1. 7.50 Words. Music and National Pride: examination. 8.10 Boris Godunov, Act 2. 9.10 The Elizabethans and the Muscovites: a comparison. 9.25 Boris Godunov, Act 3. 10.05 Herod's Reign: a study. 10.20 Boris Godunov, Act 4. 11.15 Schumann on gramophone record. 11.30 News Summary.

RADIO 4 — 330m; VHF

6.25 a.m. News Summary. 6.27 Farming Week. 6.45 Prayer for the Day. 6.50 Regional news, weather and preview. 7.00 To-day: magazine The News. 7.40 To-day's Papers. 7.45 Thought for the Day. 7.50 Weather, preview and news. 8.00 News and more of To-day. 8.40 To-day's Papers. 8.45 Travellers' Tales. 9.00 The News. 9.05 Start the Week with Richard Baker. 10.15 Daily Service. 10.30 All Kinds of Music. 11.30 Tom's Midnight Garden. 12.00 You and Yours. 12.25 p.m. Desert Island Discs. 12.55 Weather, preview and news. 1.00 The World at One. 1.30 The Archers. 1.45 Listen with Mother. 2.00 Steve Race's Invitation to Music. 3.00 Afternoon Theatre. 4.30 Story Time. 5.00 PM: News magazine. 5.50 Regional news, weather and preview. 6.00 Six O'clock News. 6.15 The Navy Lark. 6.45 The Archers. 7.00 News Desk. 7.30 Top Team. 8.00 The Autumn Garden, play. 9.59 Weather. 10.00 The World To-night. 10.45 To-day in Parliament. 11.00 A Book at Bedtime. 11.15 Late News. 11.31 Market Trends.

F.T. CROSSWORD PUZZLE NO. 1,628



ACROSS

State one company gets in with material (6)
Notice a soldier getting round slowly (6)
Mean swindle over money (7)
Dwarfed by what acrobat did (7)
Remember thinking about a speculator (4, 2, 4)
Spots where artist has to keep quiet (4)
Scotsman takes a small daughter to join unit (5)
Exam taken without much zest (6-2)
All the way to the square (8)
Little bird is very good to mine (5)
Runner with a bit of money (4)
December 25 goes with current (7, 3)
Flogged a hut from Westminster (7)
Elastic traced to source by young beginner (7)
Leaves party to join service (3, 3)
26 Dog carried by airline with broken leg (6)

DOWN

1 Credit given to single old woman (5)
2 End of a great many performances (4, 3)
3 Animals are so quarrelsome (3, 3, 3)
5 Every girl likes to be old-fashioned (5)
6 No particular soldier (7)
7 The foreman's responsibility is given the slip (9)
10 It goes from pillar to post for 5p (3, 6)
13 Intelligence needed to make female superior to joker (6, 3)
15 Delegates to summit conference meet the Establishment (3, 6)
17 Forgetting that main sea refashions . . . (7)
19 . . . Green's game (7)
21 Bit of a man at chess (5)
22 Urge a fresh settlement of dispute (5)

The solution of last Saturday's prize puzzle will be published with names of winners next Saturday.

Racing

Mill Reef supreme

by DARE WIGAN

NO SOONER had *Mill Reef* passed the winning post six lengths ahead of *Ortis*, with *Acclimatization* three lengths away third, just ahead of *Stintino* in the King George VI and Queen Elizabeth Stakes at Ascot on Saturday than a hard-bitten frequenter of the Press box announced unequivocally that this was the best horse to have been seen on a racecourse since *Hyperion*.

Maybe that is so, but I have always felt that comparison of this nature serves no useful purpose, and that it is sufficient to say that *Mill Reef* must rank very high on the list of post-war Classic winners. Of that there can be no doubt, for it was no field of nonentities that Mr. Paul Mellon's American-bred colt trounced at Ascot.

For example *Ortis*, last year' Italian Derby winner, had won the Hardwicke Stakes by eight lengths from *Pembroke Castle*; and a link with last year's classic form was provided by *Stintino*, who had finished third, 5½ lengths behind *Nijinsky*, at Epsom, and who was 10 lengths behind *Mill Reef* on Saturday.

Moreover, three weeks ago *Mill Reef* had treated *Caro*, generally acknowledged to be the best four-year-old in France, with scant respect in the Eclipse Stakes at Sandown. And allowing that *Brigadier Gerard* is an exceptional miler, one cannot help wondering how *Mill Reef* came to be beaten—and soundly beaten too—by Mrs. John Hislop's colt in the 2,000 guineas.

Incidentally, John Hislop told me, coming away from Ascot on Saturday, that *Brigadier Gerard* had given every satisfaction in his preparation for the Sussex Stakes to be run at Goodwood on Wednesday, when he will be tested by, among others, the Irish 2,000 guineas winner *King's Company*; *Ashleigh*; *Joshua*; and *Realm*.

In all probability *Mill Reef's* next race will be the Prix de l'Arc de Triomphe on October 3. If, as is almost invariably the case at Longchamp at that time of year, the ground is heavy, *Ortis* is likely to be his most dangerous rival. *Mill Reef* has shown his ability to act in these conditions—it was hock-deep when he defeated *Green God* by 10 lengths in the Gimcrack Stakes at York last August—but *Ortis* is probably a stone better horse in the mud.

At Newcastle this afternoon Dick Peacock runs his own gelding, *Medicinal Compound*, in the valuable Harry Peacock Challenge Cup Handicap (3.30) named after his uncle. What is more, he has reasonable prospects of winning it. Certainly *Medicinal Compound*, twice a winner over course and distance here in the spring, looks reasonably treated in the matter of weight. Another owner-trainer may have been successful half an hour earlier when Bill Elsey saddles *King's Fling* in the Wall Selling Plate (3.0). *Good Service*, whose trainer, Geoffrey Barling, often wins here at Newcastle, can land the Boulmer Plate (2.30). And now that rain has fallen in the North, I would not be surprised if *Crigg* were to turn up at good odds in the Alnmouth Handicap (4.0).

At Nottingham this evening *Ornamental* and *Palathene* can land a double for John Winter in the Shirebrook Maiden Stakes (6.30) and the Ripley Handicap (7.25). And Bruce Hobbs can do likewise with *Squirrel* in the Greenacre Plate (6.45) and *Intended* in the Woodland Plate (7.45) at Windsor.

NEWCASTLE
2.30—Good Service**
3.00—King's Fling
3.30—Medicinal Compound
4.00—Crigg*
4.30—Never Alone
5.00—Military

NOTTINGHAM
6.30—Ornamental
7.25—Palathene
7.50—Sailor Hat

WINDSOR
6.45—Squirrel
7.45—Intended***
8.15—Ward Mistress

CORONATION ST. FOR SWEDEN

Television's Ena Sharples, Elsie Tanner and the Rovers' Return are going to Sweden with subtitles. For Swedish Television has bought Coronation Street, joining viewers in Holland, New Zealand, Gibraltar, Greece, Canada and Australia, who already see the Granada series.

A Swedish camera team will make a short introductory film in Manchester to explain who's who and the story so far.

Events

To-day

PARLIAMENTARY BUSINESS—

House of Commons: Conclusion of the Common Market debate: consideration of Lords amendments to the Sheriff's Courts (Scotland) Bill.

House of Lords: Licensing (Abolition of State Management) Bill, third reading: Medicines (surgical materials) Order, 1971: Commons amendments to the Friendly Societies Bill: first day of debate on the Government's White Paper on the Common Market.

A list of to-day's Company Meetings can be found in the Week's Financial Diary on Page 28.

Doctors hit back at private practice critics

AN organisation representing doctors in private and Health Service practice has hit back at criticisms of private practice medicine.

The Fellowship of Freedom in Medicine says in its written evidence to the Commons committee on private practice and the NHS that evidence presented to it "has included every possible wild allegation which could be mustered against private medical practice.

"We take the most serious view of some of the tendentious and highly misleading allegations which have been levelled at private medical practice and especially about the way in which it has been suggested that all the ills of the NHS are due to the existence of a very small private sector."

The fellowship lists as its case 22 counter-claims and points of evidence.

It says: "Far from private patients occupying beds to the exclusion of general patients, the Department of Health has constantly criticised hospitals for the low occupancy of private beds in many places."

It also declares that the claim that there are "two standards of service is patently stupid and inaccurate." There are as many standards as there are doctors.

Aldwych

Enemies

by B. A. YOUNG

Enemies, which Gorky wrote in 1906, the year after the first overt preludes to revolution, is frankly not very much of a play; but it is certainly an interesting *historical document*. It is set in a country house in the provinces occupied by a family that might have originated with Turgenev or Chekhov; but *instead of following* the course of their private fortunes and affections, it shows them in conflict with the workers when indiscipline takes over in their factory. It is a Russian equivalent of Galsworthy's *Strife*.

Trouble at the works begins with a demand by the workers that Zakhar Bardin, the senior partner, should sack an unpopular foreman. Mikhail Skrobotov, his partner, insists that rather than give in to such an insolent demand, Zakhar should close the works down altogether; *and in the subsequent* disorder, Mikhail is shot. The remainder of the play is basically concerned with the actions of the Security Police in rooting out the murderer and the leaders of unrest in the district.

Judged by to-day's standards, when revolution is an everyday occurrence and the Russian ferment of that time is safely tucked into the history books, the thought is oversimplified and *the characters too easily allotted* to their pigeonholes: heroic proletarians, villainous gentry, Uncle Tom proletarians, enlightened gentry. But the play certainly gives us a sharp picture of Russian political life *in petto* at the time. As Jeremy Brooks (co-adapter with Kitty Hunter-Blair) points out in a programme note, communications in Russia were so poor that provincial communities continued in a kind of insulated conservatism, unaware of the general stir, so a community like this one of Gorky's may well stand as a miniature of the nation.

What spoils the play is the plethora of marginal happenings. Bardin and his drunken *younger* brother Yakov and Mikhail Skrobotov all have wives for whom something must be found; Mikhail also has a younger brother, who is rather arbitrarily given the appointment of Assistant Public Prosecutor; there are two more Bardins, an *old* retired general, inserted in order to show how Russian officers bullied their troops, and a silly young niece Nadya, whose *function is to demonstrate* how young people will always be on the side of the oppressed. Then there are eight workers, plus a few extras, and a posse of officers, soldiers and police.

Gorky is simply unable to knit all this material into a properly coherent piece, and it is a stop-go affair all evening, with characters drifting on and off the stage, probably or improbably, as required to keep the wheels turning. At present, David Jones's direction is a bit stop-go too, with too many full closes where there ought to be *chamfered joints*. *I felt this* even in the speaking of the dialogue, where too often excitable and voluble characters were waiting for each other to finish their current sentences.

All the same, I am glad to have seen the play, and it is absolutely right that the Royal Shakespeare Company should have disinterred it, for better or worse: *this* is one of the responsibilities of richly subsidised companies.

Philip Locke makes a good job of Zakhar, the helpless liberal who finds his liberality only a cause of trouble. Of the innumerable *other characters*, few are drawn with a very generous degree of individuality, but I liked John Wood as the drunken Yakov and Helen Mirren as his wife Tatyana, and Patrick Stewart, who makes Mikhail look oddly like Vladimir Ilyich Lenin. Mary Rutherford must really control her childish emotions to a more bearable pitch.

Albert Hall

First Night of the Proms

by DOMINIC GILL

It is by now an established tradition, as Sir William Glock notes with some satisfaction in his introduction to this year's new season, to begin the Proms *with a single*, monumental work. Gone are the First Night fripperies: instead, in the last two years, we have had First Night Berlioz and Messiaen. And on Friday in the Albert Hall it was Mahler's eighth symphony (also, of course, broadcast on Radio 3) which launched the 77th Prom season in apt and magnificent style.

Colin Davis's approach to the Eighth, his solution of its peculiar problems, was a triumph —a triumph above all of measure and shape. Each element he kept in subtle check: the massive weight of the symphony, its epic body, was never allowed to blur the compact symphonic line. He struck that fine and essential balance between self-indulgent melodrama and exalted passion that makes or breaks a performance of the Eighth: between heavy vulgarity and gentle refinement, *wild frenzy and restraint*. He drove the BBC Orchestra lovingly through the blaze of the Latin hymn, into the glory of Mahler's Faustian metamorphosis of Love, without faltering or breaking a single thread.

And how well the music sounded in the Albert Hall—more vivid even than in the *famous acoustic of the Concertgebouw* last month, bigger, clearer and closer: one Prom, at least, which radio listeners did not get the better of. The antiphonal impact of the five choirs, the BBC Chorus and Choral Society, the choirs of the LPO and NPO, and the boys of Wandsworth School, was specially striking: two huge banks of voices stretching up and out of sight, breaking into a glittering sunburst of sound for "Accende lumen," and a sudden swirling from side to side in the double fugue.

Davis brought out all the warmth and longing of "Qui Paraclitus" without over-sweetening texture or phrase, letting Heather Harper and Elizabeth Robson, *the sopranos, float out* their high C's (from my seat at least) thrillingly clear. The introduction to the *adagio*—Goethe's "forest, rock and wilderness"—was beautifully set together: tensions heightened (a tension strung taut, as it were, between Beethoven and Wagner) by the Pater Ecstaticus of John Shirley-Quirk, and released by the Finchley Children, a lusty band of Younger Angels. And the final climax transcended, as it can and should, its own portentousness: transformed its vulgar colours into ecstasy, a splash of joy.

Scenes and Prophecies

by RONALD CRICHTON

The first of the Prom season's new works was heard on Saturday. Naylor's *Scenes and Prophecies* uses a text (pruned by the composer) from the prophet Joel, laden with ritual, myth and drama. It is laid out for solo soprano, mixed chorus, and brass. Like most of his music it is short, lasting a matter of minutes. But Naylor's short choral works pack a great deal into a small compass. He uses traditional harmony in a way that makes it seem entirely new and expressive; his economy comes from choice and a knowledge of how to compress, not from inability to go on longer. He sets words as if he had thoroughly understood them *himself and had every intention* that his listeners should do so as well.

The combination of voices and brass was designed to suit the Albert Hall. It would do equally well for large churches with acoustic problems or modern concert halls without them. *Scenes and Prophecies* is a striking piece worth doing by good small choirs, deserving further performance quite as much as the now ubiquitous "festival commissions" all too often unfinished when the time comes. Future performances may work better than this one, where the *balancing between the brass of* the Royal Liverpool Philharmonic and the BBC Chorus was not always exact. Janet Price, the soloist, was effective with the chorus but at one point was overwhelmed by the instruments—probably a matter of adjustment.

The concert was broadcast on Radio 3. Part of it was telerecorded for future transmission. When one of the cameras started wheeling round the back of the platform, presumably in order to get a freer view of the pianist Radu Lupu, the cameraman's arm movements inevitably *catching and distracting the* eye, this listener at least wished he had stayed at home to listen. This was an intrusion, the more regrettable since Lupu's playing of the Grieg concerto was outstandingly fresh and resilient. Charles Groves and the RLPO, who had previously given an only moderate account of the Sibelius sixth symphony, with details that even in this most transparent of scores refused to register, responded with alacrity.

Filmharmonic 71

Following the success of last year's "Festival of film music" in aid of the Cinema and Television Benevolent Fund and the Royal Philharmonic Orchestra Trust, there will be another gala, Filmharmonic 71, on Saturday, October 23. Guest conductors Frank Chacksfield, David Rose, Nelson Riddle and Maurice Jarre will appear with the RPO, and *guest soloist will be Larry Adler*, who will play John Barry's theme from *Midnight Cowboy* and Adler's own theme from *Genevieve*.

This year's programme will again include some of the best known scores from motion pictures and the guest conductors will each choose pieces from their own compositions.

An LP record of last year's gala *Highlights from Filmharmonic 70*, is to be released by Polydor Records on September 1. *The managing director of the* company recently presented a cheque for £3,000 advance royalties to the two charities.

D.P.

Sadler's Wells Theatre

William Tell by ANDREW PORTER

Few operas are fairly described as sublime. Rossini's *William Tell* is one of them, and last week's performance of this noble work, given by the joint forces of Northern Opera and the London Opera Centre, with the BBC Training Orchestra in the pit, was a stirring occasion. The Arts Council's music director was there; perhaps he could set aside a special extra grant, say £50,000, to be awarded as a bonus to whichever of the two London companies first undertakes to put on a worthy production of the great opera.

Was Bellini wrong when he wrote: "I have just heard *Tell* for the thirtieth time, and am more convinced than ever that all we contemporary composers, without exception, are so many pigmies beside this great master"? One of those pigmies, Donizetti, declared that "The first and last acts were written by Rossini; the second, by God." Berlioz, who judged other men's *music with a severe ear, wrote* a wildly enthusiastic essay about the piece for *La Revue musicale*. They were musicians; *Tell*, like *Otello*, is not an opera calculated to appeal to voice-fanciers—and yet it was, once, successful with the public too: worldwide performances within a year or two of its *premier*, and before that most frivolous of publics, the Parisian, the 100th and 500th performances were notched up with uncommon speed.

Tell starts with the advantage of an elevated, serious, subject; Rossini chose it in preference to *Gustave III, ou le bal masqué*, and *La Juive*. He "made no secret of the fact that he planned to transform himself—simple, style, severe ideas." The libretto is a fairly stiff piece of work, with a stock operatic "love-interest" spatchcocked into Schiller's lofty play: the Hapsburg princess Mathilde (whose part in the drama is further obscured by the Moodys' mistranslation of the Act 2 duet) is an invention of the librettists. But (while Donizetti *conventionalised Elizabeth Tudor* and Mary Stuart into two sopranos squabbling over the tenor) amorous tangles are not the matter of *William Tell*. Act 1 is an expansive sound-picture of the country: the people with their pastoral tasks and pleasures, the magnificent natural scenery of the forest cantons, music sounding across the hills, horns in the distance —and two shadows thrown across *it*. *Tell's troubled reflection on* the fisherman's carefree song, and stirring duet in which he tries to turn Arnold's thoughts from his princess towards patriotism. Then at the end of the act the storm breaks—both on stage and pit, and in the Swiss patriots' hearts.

Derry Moore

Bernard Lyon and Nan Christie

Act 2 is superb: an animated hunting-chorus for the oppressors, interrupted as the Austrians listen to the solemn chant, accompanied by harp and distant *bell, with which the Swiss greet* the curfew; music of heroic cut for the lovers; the famous male-voice trio; and then the stupendous assembly of the three cantons, who unite in a chorus of overwhelming grandeur. And so on, until in the closing pages the clouds roll away, an immense *prospect of shining peaks opens* up, a rainbow shines, the *ranz des vaches* rolls through key after key, and one by one the characters raise their voices to greet Switzerland's new freedom.

Much was cut at Sadler's Wells, and much was inadequate, and yet the total effect was tremendous. Though James Robertson missed the lilt of the opening chorus, and backed recitative lines into isolated *phrases, his response to the* grandeur of the Act 2 finale was sure, his timing of the entries—the cautious horn signals of the men from Schwyz, the magical cello melody which brings the boats from Uri across the lake —and his control of the tensions finally released in "Jurons pas nos dangers" were superb. And I have never known the Act 3 sequence—the quartet, Tell's aria to his son "Keep very still," the recitative scenes, all set within a grand *ensemble structure*—make so powerful or so affecting an impression. Though the acting was often on a village-hall level, what the performers sought to express was fired by the right sort of passion; and that passion was communicated.

There was a strong, fiery Tell *from Bernard Lyon, an American* student at the LOC. Stuart Kale rose to the high heroic role of Arnold; especially in the duet with Tell he was at once ringing and smooth of line. Anne Conoley as Mathilde was powerful but ran into squalls. London has seen three previous productions of *Tell since the war*: by Libera Danielis in Ilford Town Hall (1956, with David Winnard in the title-role); at Drury Lane (with Gino Bechi and Filippeschi—but Markova stole the show in the Tyrolienne); from the Welsh National at Sadler's Wells; and has also heard the Chelsea Opera Group's concert performance. Somehow, despite the faults, this LOC/Northern Opera production *managed to make the greatest* impression of all; any doubts about the theatrical effectiveness of *Tell* were finally dispelled.

SPORT: GOLF ... CRICKET ... RUGBY

A ruthless Humphreys

BY BEN WRIGHT

BEFORE Saturday's pitifully one-sided final of the English Amateur Championship at Burnham and Berrow Golf Club most good judges I know opined that Warren Humphreys, at 19, the *youngest-ever winner*, would be unlikely to make a vast fortune and become world-famous as a professional.

My own view was that this magnificently talented and industrious youngster was too pleasant for his own good. He lacked the necessary steel vital in the professional ranks, where it has always been considered that "nice guys finish second."

Astonishing

But now I am far from sure that Humphreys cannot eventually learn to hold his own in a very tough school. His performance in grinding his good friend, sometime partner and long-time Royal Mid-Surrey rival, John Davies, into the sunburned turf was as ruthlessly efficient as to me it was astonishing.

Few people who witnessed it will forget the minute care with which Humphreys surveyed the 6-foot putt for a win on the 18th green that, when he had holed it, enabled him to go into lunch 10 up *having won eight of the last* nine holes. Many will regard the pace at which Humphreys plays irritatingly funereal. But this delightfully modest young athlete is already attuned to the pace of the professional game in which I feel he is destined to make a considerable impact.

No one knew better the tactics of Davies in trying to bustle an opponent out of his rhythm by hurrying him along. This is quite a legitimate ploy, and possibly successful on some occasions. But Humphreys countered it perfectly by being just a little more methodical than usual. His *implacably well ordered* approach was in marked contrast to Davies' bold, but on this occasion, uninspired gambling on the greens and impatient attempts to bend the golf course to his will to try to snatch something from the wreck.

It is always difficult to overcome the subconscious desire to ease up in a golf game when one is several holes ahead. Humphreys' admirable ability to do so and concentrate on playing for his pars and birdies, especially when playing against someone he knew so well, was quite remarkable in one so young and inexperienced.

Part of Humphreys' trouble in hitherto trying in vain to win a major title has been the *pressure* exerted on him by his own prodigious talent. As he told me on Friday evening: "When John *and I won the Sunningdale* foursomes in 1968 I was only fifteen, but people expected me then to go on winning. They failed to appreciate that I had only just started to learn the game."

Humphreys has applied himself diligently to that task. His flawlessly orthodox method now

More sport on Page 5

stands up under pressure all the time, as he proved by beating Steve Melnyk on the second afternoon of the Walker Cup match. This indicates that he could well follow in the footsteps *of Bernard Hunt rather than* Tony Jacklin. But if he manages to perform with anything like Hunt's uncanny consistency, he is hardly likely to starve—not that Mark McCormack would ever allow that eventuality.

Davies is also a wonderfully talented golfer. But, in my *opinion, he relies too heavily on* the speed and strength of an independent hand action. When he cracked under Humphreys' relentless pressure in the second half of the morning round, he did so because the right hand overpowered the left as he tried to compensate for his frailty on *the putting green*.

Some spectators found it strange that a youngster of 23, accustomed to playing for large sums of money, was so unsure of himself from six-feet inwards. The fact is that golfe[rs] who play under the heavie[st] pressure most often are tho[se] who invariably lose their ner[ve] first. Because Ben Hogan a[nd] Sam Snead reached a winni[ng] position more often than the[ir] inferior rivals, their putti[ng] touch was the first departme[nt] of the game to desert them.

There was very little in t[he] match for the first nine hol[es] downwind which Humphre[ys] accomplished in four under p[ar] 32 to Davies' 34 to two-up. [B]ut after the latter had miss[ed] from a yard on the tenth gre[en] to lose the hole he quickly we[nt] to pieces. He missed from s[ix] feet at the next, but Humphre[ys] missed his only short putt fr[om] inside that distance to all[ow] Davies to escape with his so[li]tary homeward half.

Davies hooked out of boun[ds] from the tee to lose the 12th a[nd] 16th holes. Humphreys play[ed] the stroke of the championsh[ip] *to take the 15th, hitting* [a] majestic three iron shot w[ith] superb, slow rhythm from t[he] left rough 200-yards into [a] strong breeze little more tha[n a] yard from the hole. Poor Dav[ies] went for a two at the short 14[th,] charged his putt six-feet past t[he] hole, and missed the return.

Anti-climax

His second-putt—from th[ree] feet—never touched the [1]st hole. Almost as good a pitch [by] Humphreys played from tw[ice] the distance left him a simi[lar] length from the 17th, after b[oth] men had missed the green [to] the right with wood. Needl[ess] to say, Davies failed again [and] surprisingly, he also made a co[m]prehensive mess of the 18[th,] taking six to be home in [an] approximate 45 shots, wh[ile] Humphreys was round in 66, [6] under par.

The rest was anti-clim[ax,] *relieved only by Humphr[eys]* smashing the head of his woo[d] at the third hole after lun[ch.] Davies won the 19th and 25th [to] postpone the inevitable but d[avies] lost by nine and eight.

India's protracted resistance had tactical value

BY TREVOR BAILEY

ON SATURDAY India, with infinite patience and considerable defensive skill, batted themselves from a position threatening defeat to one of near-equality as they slowly edged their way past an England first innings of 304, to a total of 313.

It was very much a repetition of what occurred on the third day of the Leeds Test against Pakistan, when it could be argued that the exciting finish ultimately justified the means employed. The snag on both occasions was that the two biggest crowds of the match *witnessed the least satisfying* cricket.

It was all succinctly summed up by the son of one of my cricket club colleagues who, full of excitement, had set forth to see the Test on Saturday. A distinctly disillusioned young enthusiast later informed his father that he had found 134 runs in five hours a most unrewarding way of spending his time and that in future he would *prefer to watch Westcliff Cricket* Club.

To be fair to India—who were 179 for five at the start of play and on a pitch where the ball had turned appreciably on the previous day—caution by the diminutive and correct Vishwanath and the upright, graceful *left-handed Solkar was necessary*. They negotiated a few overs of spin with some difficulty and then experienced considerably fewer problems when the second new ball was taken. Snow was easily *the most menacing of England's* four seam bowlers, but none troubled either player as much as had been anticipated, and they were still together at lunch.

Vishwanath was eventually caught employing his favourite

England 304; India 313

cut once too often against Hutton immediately before an interruption for bad light and rain. But Solkar, though exceeding his ration of playing and missing out*side the off-stump, managed* with the assistance from the two remaining batsmen and then the two tail-enders to take the score to 313, with one further interruption for bad light.

It was easy to understand why Solkar restrained himself when he was partnered by a recognised batsman, but once he had been joined by Bedi and then by Chandrasekhar, it all became tactically incomprehensible.

For once, Illingworth's captaincy seemed short of inspiration. I felt he took the new ball too soon and cannot understand why, *except for a few economical* overs in the morning, he never again bowled at the pavil[ion] end, from where he had be[en] so threatening on the previo[us] day. Once again he showed [a] *marked reluctance to bowl h[im]*self, which was odd as the pi[tch] always gave him some assistan[ce].

Presumably he has be[en] largely selected because of [his] proven ability as an off-br[eak] bowler, yet he gave his oppo[site] number, Gifford, who was not [all] that menacing, nearly 20 m[ore] overs. It made one wonder w[hat] damage Underwood would ha[ve] caused in the same circu[m]stances.

With two days remaining, [a] draw is a distinct possibil[ity,] though the odds must s[till] slightly favour an Engl[ish] victory, but their batsmen w[ill] have to play better and sc[ore] faster than they did in th[e] previous innings if there is [to] be sufficient time to dismiss t[he] formidable Indian batting li[ne] up again.

This indicates the over[all] tactical value of the protrac[ted] *resistance by the Indian batsm[en]* in their innings. If they h[ad] approached their task differen[tly] and had been all out reach[ing] exactly the same total as they [did] achieve by say lunchtime [on] Saturday, they would ha[ve] gained more friends, but wo[uld] certainly have greatly increa[sed] *their chances of losing t[he]* contest.

Below-form Lions throw away too many scoring chances

By DAI HAYWARD

AUCKLAND, July 25.

IN THEIR POOREST performance to date the British Lions fell far short of the standard expected of an international team when they allowed an 11-point lead to be whittled down to a tense two-point advantage, made slightly more respectable in the last seconds of seven minutes injury time when the captain, John Dawes, gained a disputed try to produce a final 19-12 result against Auckland at Eden Park. The record book will show a seven-point margin but two points would have been a fairer indication of the respective merits of both teams.

There must now be some deep heart-searching among the Lions and positive tightening up if they are to stand any chance in the Third Test next Saturday although they could shrug off this game's mistakes with more co-ordination and better use of their potential try-scoring abilities.

The Auckland debacle began up front. The Lions' forwards fell apart and failed to get even a reasonable share of good ball for the backs. But blame must be shared with the three-quarters who just did not click. Lions' scrummaging was their weakest yet. The British pack was often pushed backward in both set scrums and rucks. The Lions constantly lost battles in rucks and mauls to the more *determined, more eager* Auckland pack. The contrast between good ball received by the respective half-backs from scrums and line-outs was alarming to British supporters. Often when the Lions did win the ball from the line-out it was scrambled back and the Auckland forwards were bursting through on top of Gareth Edwards.

The Lions scrum-half started the day badly with some very poor and badly-judged passes but he recovered as the match went on ended by turning in one of the best performances of any of the Lions' backs.

Passes went astray, fell short or were fumbled. As a result Lions' wingers Davies and Duckham existed on a meagre diet and were not able to exploit their obvious advantages—speed, skill and thrust. But both still managed to produce some exciting *and dangerous bursts*. Too often, however, Duckham, in particular, found himself racing for a ball which Barry John had sent deep downfield in a long raking kick instead of passing cleanly along the backs.

John's goal-kicking was on *form but he tended to kick too* much during the run of play. Many kicks both from him and John Williams at full-back were needed to get Lions out of trouble but John also kicked when passes would have been more constructive. John made some good openings, sometimes beating several men but these were nullified when he went through until he was caught.

For much of the play and *especially* in the first 20 minutes the Lions were pinned in their own territory. The Auckland tactics, which they kept up all the match, were to bustle the Lions off the ball and wh[en] Auckland gained possession [to] run it along their backs. O[n] good fast tackling by the Lio[ns] *with the forwards lending va*[lu]able support, broke up t[he] numerous Auckland attac[ks.] Mervyn Davies was best of t[he] Lions' forwards, being very u[se]ful on defence as well as leadi[ng] some forward rushes.

When the Lions burst out [of] their own half, as they did [in] *some exciting counter attac[ks]* they failed to keep up t[he] momentum to reach the Au[ck]land goal-line. The Lions' ru[ns] often covered 60 or 80 yards [b]ut they started so far back, th[at] even this was not enough [to] carry them over the scoring li[ne].

One of these came late in t[he] second spell when the Lions, w[ho] did not look comfortable desp[ite] their eight-point lead, set t[he] game alight by again showi[ng] just what they can do. Eve[ry] back handled the ball, whi[ch] reached Duckham who cut [in,] gained ground, passed ba[ck] *infield for the ball to run* reverse along the back line [to] Davies on the opposite wing. B[ut] he was too well marked on th[is] *occasion to break through*. Lat[er] Duckham, who several times w[as] unlucky, once stepping in[to] touch when the try seem[ed] certain, fielded the ball behi[nd] his own line. He carved throu[gh] the opposition, swerving fr[om] side to side then handed on [to] the other backs who swept on [to] within two yards of the Auckla[nd] line.

But altogether the Lions thre[w] away many scoring chances [in] *a display well below their best*

A Copy of this Prospectus, having attached thereto the documents specified below, has been delivered to the Registrar of Companies for registration.
Application has been made to the Council of The Stock Exchange, London, for permission to deal in and for quotation for 600,000 Ordinary Shares and 300,000 Warrants each conferring the right to subscribe one Ordinary Share ("the Warrants") to be issued.
The Applications Lists for the Ordinary Shares and the Warrants now being issued will open at 10 a.m. on 29th July, 1971, and will close at any time thereafter on the same day.

Thanet Investment Trust Limited

(Member of the Association of Investment Trust Companies)

SHARE CAPITAL	
Authorised	Issued and to be Issued
£3,000,000 in 6,000,000 Ordinary Shares of 50p each	£1,500,000
LOAN CAPITAL	Issued and outstanding
£500,000 8 per cent. Debenture Stock 1988/93	£500,000

Except as mentioned above, at the close of business on 16th July, 1971, Thanet Investment Trust Limited ("the Company") and its subsidiaries ("the Group") had no bank overdrafts or other similar indebtedness (other than intra-Group indebtedness), mortgages, charges, hire purchase commitments, or guarantees or other material contingent liabilities outstanding.

THIS PROSPECTUS IS PUBLISHED IN CONNECTION WITH THE

ISSUE TO THE PUBLIC

OF 600,000 ORDINARY SHARES AT 50p EACH AT 66p PER SHARE

AND 300,000 WARRANTS AT 28p PER WARRANT

Each Warrant confers the right to subscribe one Ordinary Share of 50p at 80p.

LEOPOLD JOSEPH & SONS LIMITED

is authorised to receive applications for the above-mentioned shares and Warrants.

Directors
The Right Honourable The Viscount Kemsley (Chairman), Thorpe Lubenham, Market Harborough, Leics.
The Honourable Denis Gomer Berry, T.D., Brockenhurst Park, Brockenhurst, Hants.
The Honourable Anthony George Berry, M.P., 91 Eaton Place, London SW1X 8NB
Richard Mark Cox-Johnson, F.I.A., 63 Frognal, Hampstead, London NW3 6YA
Ronald Seymour Dossor, F.C.A., 2 Bolton Road, Chiswick, London W4 3TB

Investment Managers
Leopold Joseph & Sons Limited, 31-45 Gresham Street, London EC2V 7EA.

Bankers
Leopold Joseph & Sons Limited, 31–45 Gresham Street, London EC2V 7EA.
National Westminster Bank Limited, 217 Strand, London, WC2R 2AS

Brokers
Joseph Sebag & Co., 3 Queen Victoria Street, London EC4 N8DX. and The Stock Exchange, London.
Norris Oakley Richardson & Glover, Kent House, Telegraph Street, London EC2 P2HP. and The Stock Exchange, London.

Solicitors
Clifford-Turner & Co., 11 Old Jewry, London EC2R 8DS.

Auditors and Reporting Accountants
Price Waterhouse & Co., 3 Frederick's Place, Old Jewry, London EC2R 8DB. (Chartered Accountants).

Secretaries and Registered Office
Leopold Joseph & Sons Limited, 31–45 Gresham Street, London EC2V 7EA.

Registrars and Transfer Office
Phesoy Registrars Limited, 6 Eldon Street, London EC2M 7LU

Applications for the Ordinary Shares and Warrants now being issued must be made on the relevant Application Forms and must be forwarded to **Leopold Joseph & Sons Limited, New Issue Department 31–45 Gresham Street, London EC2V 7EA,** with a remittance for the full amount payable on application so as to arrive not later than 10 a.m. on Thursday, 29th July, 1971. Applications must be for a minimum of 100 shares or (as the case may be) 100 Warrants (conferring subscription rights in respect of 100 shares) or in multiples thereof. Applications for Ordinary Shares and Warrants are separate applications and must be accompanied by separate cheques. Cheques must be in favour of Leopold Joseph & Sons Limited and crossed "not negotiable" drawn in sterling on a bank or branch thereof in England, Wales or Scotland for the full amount payable on application.

Existing shareholders who apply for shares on the special forms dispatched to them (together with copies of this Prospectus) will be given preferential consideration in such manner as to ensure that, in the event of a ballot or in the event of applications being scaled down, the allocation of shares and Warrants to such applicants shall (in the proportion to the number of shares or Warrants applied for by such applicants), be double the allocation to other applicants.

Acceptances of applications (including underwriting applications) will be conditional upon *the granting by the Council of The Stock Exchange, London, of permission to deal in and* quotation for the Ordinary Shares and the Warrants of the Company to be issued on or before 6th August, 1971. Monies paid in respect of applications will be returned if such permission to deal and quotation are not granted by that date and in the meantime will be retained by Leopold Joseph & Sons Limited in a separate account.

If any application is not accepted the amount paid on application will be returned to the applicant in full by cheque. If the number of shares allotted or Warrants issued is less than the number applied for the balance of the application monies will be returned by cheque, in each case through the post at the applicant's risk.

Leopold Joseph & Sons Limited reserves the right to present all cheques for payment on receipt and to withhold Letters of Allotment and any surplus application monies pending clearance of applicants' cheques. Due completion and delivery of the relevant Application Form accompanied by a cheque will constitute a warranty that the cheque will be honoured on first presentation and attention is drawn to the declaration in the Application Form to that effect. Any application which does not fulfil the conditions stated in the relevant Application Form may be rejected. The right is reserved to reject any application or to accept any application in part only and in particular to reject multiple or suspected multiple applications. Fully paid renounceable Letters of Allotment in respect of both shares and Warrants will be sent by post to allottees at their risk, the last date for registration of renunciations being 3rd September, 1971. Certificates for Shares and Warrants will be available after 1st October, 1971.

Copies of this Prospectus and Application Forms may be obtained from **Leopold Joseph & Sons Limited, 31-45 Gresham Street, London EC2V 7EA, Joseph Sebag & Co., at 3 Queen Victoria Street, London EC4 N8DX, and 6 Bruton Street, London W1X 7AG. Norris Oakley Richardson & Glover, Kent House, Telegraph Street, London EC2P 2HP, and from National Westminster Bank Limited, 41 Lothbury, London EC2P 2BP, 217 Strand, London WC2R 2AS, 8 Bennetts Hill, Birmingham B2 5QX, and 55 King Street, Manchester M60 2DB.**

HISTORY AND BUSINESS

The Company was incorporated on 24th November, 1933, as a private investment company. On 30th September, 1968, the Company acquired the whole of the issued share capital of Chandos Holdings Limited ("Chandos"), another investment company, for the sum of £145,855, both of which companies being then owned by the family of the late Viscount Kemsley.

The Company has a second subsidiary, Thanet Finance Limited ("Finance"), a dealing company which was incorporated in September, 1968.

In October, 1968, the Company arranged a placing of £500,000 nominal of 8 per cent. Debenture Stock 1988/93 ("the Stock"), made an issue of 1,191,666 Ordinary Shares to the public and obtained permission to deal in and quotation for the whole of its issued share capital on The Stock Exchange, London.

Viscount Kemsley and the Hon. Denis Berry have been Directors of the Company since 1943 and the Hon. Anthony Berry since 1944 and all three Directors have been Directors of Chandos and Finance since their incorporation.

Since January, 1967, the portfolio of the Group has been managed by Leopold Joseph & Sons Limited.

INVESTMENT MANAGEMENT AND POLICY

The portfolio of the Group will continue to be managed by Leopold Joseph & Sons Limited and the investment policy of the Company will continue to be one aimed at achieving an above average rate of growth of capital. If capital growth is obtained, there should be a corresponding growth in income.

It is the intention of the Directors that neither any one holding in a company (other than the holdings of the Company in subsidiaries) nor the total holdings in unquoted securities shall represent more than 15 per cent. by value of the investing company's assets.

At 30th June, 1971, the investments of the Group were distributed approximately among the following areas:–

United Kingdom (80·3 per cent.), Australia (3·7 per cent.), Africa (8·5 per cent.), U.S.A. and Canada (3·9 per cent.), other countries (3·6 per cent.);

and amongst the following industries:–

Capital goods (12·3 per cent.), Consumer goods (17·2 per cent.), Oils (10 per cent.), Financial institutions (16·9 per cent.), Property companies (10·3 per cent.), Overseas mining groups (13·6 per cent.), General (19·2 per cent.).

The distribution of the Group's portfolio will be subject to variation as investment opportunities arise.

The Group publishes its net assets value each month in the list of the Association of Investment Trust Companies in the *Financial Times*.

RECORD OF THE GROUP

The profit record of the Group has been affected by the new funds raised in 1968, which were put on deposit pending investment. The unaudited results for the six months ended 30th April, 1971, show a profit before taxation of £26,975 in comparison with £20,816 for the corresponding period of the previous year.

There is set out below the increase in the value of the portfolio of the Group (after allowing for the net proceeds of the issues of shares and the Stock in October 1968) between 31st March, 1967 (the date on which the accounts of the Company were first audited following the appointment of Leopold Joseph & Sons Limited as investment managers) and 30th June, 1971. A comparison is made with the increase in the Financial Times Industrial Ordinary 30 *Share Index* ("*FT Index*") over the same period:–

% increase in portfolio from 31st March, 1967, to 30th June, 1971	% increase in FT Index over same period
69·1	16·5

In arriving at the value of the portfolio net current assets have been added to the market value of quoted investments and the Directors' valuation of unquoted investments. No deduction has been made for the Stock or for the contingent liabilities for capital gains tax and for surrender of the dollar premium on the realisation of the investments at these values.

This increase in the value of the portfolio is equivalent to an annual compound growth rate of **13·1 per cent.**

PURPOSE OF THE PRESENT ISSUES

The Directors believe that worthwhile investment opportunities will continue to arise both in the United Kingdom and elsewhere and the raising of fresh capital will enable them to take fuller advantage of such opportunities. The enlargement of the issued capital of the Company will also improve the marketability of its shares.

ISSUE OF SHARES

It is proposed to raise the sum of £480,000 by the present issue of 600,000 Ordinary *Shares of 50p each at 66p per share and 300,000 Warrants at 28p per Warrant. The net* asset value of each existing Ordinary Share of the Company at 30th June, 1971, was 84·2p before deducting the contingent liabilities or capital gains tax and for surrender of the dollar premium. The discount which the issue price of the new Ordinary Shares of 66p per share bears to this figure is **21·6 per cent.** These contingent liabilities at 30th June, 1971, were equivalent to 4·6p per share. The funds raised by the issue of Warrants will be sufficient to ensure that the net asset value of each existing Ordinary Share will not be materially reduced by the share issue.

On 20th July, 1971, the latest practicable date before the date of this Prospectus, the middle market quotation for the Ordinary Shares of the Company as shown in The Stock Exchange Official Daily List for that day was 70p per share. At the issue price of 66p per share, the discount on this quotation is **5·7 per cent.**

ISSUE OF WARRANTS

The Warrants will be quoted on The Stock Exchange, London, and each Warrant will confer the *right to subscribe for one Ordinary Share of the Company at 80p.*

There are no restrictions on the subscription rights attached to the Warrants being exercisable during any period of any year and there is no final date by which such rights must be exercised.

RIGHTS OF SHARES AND WARRANTS

A summary of the rights attached to the Ordinary Shares and further particulars of the Warrants are set out under Statutory and General Information below.

TAXATION

General

So far as is known the Company is not a close company. It is the intention of the Directors to *ensure that the Company will continue to satisfy the conditions for approval as an investment* trust laid down in Section 359 of the Income and Corporation Taxes Act 1970 (formerly Section 37 of the Finance Act 1965), so that any net realised chargeable gains (after tax) made by the Company will be allowable in the hands of shareholders as a deduction in calculating any chargeable gains on disposal of the shares held by them and also that chargeable gains *realised by the Company will be subject to corporation tax at present at the rate of 30 per cent.* as against the present rate applicable to companies of 40 per cent.

Under the provisions of Section 357 (1) of the Income and Corporation Taxes Act 1970 (formerly Section 67 (3) of the Finance Act 1965) the Company, subject to the approval of the Inspector of Taxes, apportions between the shareholders the deduction which shareholders are entitled to make in calculating any chargeable gain on disposal of their shares, regard being had to the proportion of the Company's assets attributable to different classes of shares.

Taxation aspects of Warrants

Under the present provisions of the 1971 Finance Bill, which has not yet been enacted and is therefore subject to amendment, the subscription rights will not constitute "wasting assets" and on their disposal the full cost will be allowed in computing the gain or loss for capital gains tax purposes. Persons who exercise their subscription rights will not thereby be treated as disposing of them and the cost of subscription rights will be added to the amount paid on exercising those rights in computing any gain or loss on the eventual disposal of the Ordinary Shares thereby acquired.

WORKING CAPITAL

The Directors are of the opinion that, taking into account the proceeds of this issue, the Group will have sufficient working capital for its present requirements.

NET PROCEEDS OF THE ISSUES

The net proceeds of these issues are estimated to amount to £445,000 and it is proposed to apply them in the purchase of further investments as and when suitable opportunities occur.

DIVIDENDS

The Ordinary Shares now being issued will rank for the final dividend in respect of the current *financial year ending 31st October, 1971, and in all other respects pari passu with the existing issued Ordinary Shares.*

The final dividend which the Directors expect to recommend would be 2½ per cent. for payment in about January, 1972, and which, when added to the interim dividend of 2 per cent. already paid on 1st July, 1971, is equivalent to a *yield* of 3·6 per cent. on the issue price.

ACCOUNTANTS' REPORT

The following is a copy of a report dated 23rd July, 1971, received from Price Waterhouse & Co., Chartered Accountants, the Auditors of the Company –

To the Directors,
Thanet Investment Trust Limited and
Leopold Joseph & Sons Limited.

23rd July, 1971.

Gentlemen,

We have examined the books and accounts of Thanet Investment Trust Limited ("the Company") and its two wholly owned subsidiaries Chandos Holdings Limited and Thanet Finance Limited (together constituting "the Group"), for the periods relevant to this report.

NET ASSETS

The following is a statement of the net assets of the Group at 31st October 1969 and 1970 based on the amounts shown in the audited balance sheets at those dates:–

	31st October 1969 £	£	1970 £	£
FIXED ASSETS				
Office furniture and fittings, at cost	6,070		6,070	
Less, Depreciation	4,998		5,158	
		1,072		872
Quoted investments at market value (note 2)	2,072,994		2,133,611	
Unquoted investments at directors' valuation	80,621		82,151	
		2,153,615		2,215,762
CURRENT ASSETS				
Debtors	4,618		4,576	
Income tax recoverable	—		9,021	
Bank balances				
Deposits with Leopold Joseph & Sons Limited	164,865		165,000	
Current account	116		103	
		169,599		178,700
		2,324,286		2,395,334
LESS: CURRENT LIABILITIES				
Bank overdraft	6,087		10,228	
Creditors and accrued charges	16,459		53,472	
Taxation	2,191		—	
Proposed final dividend	33,000		33,000	
		57,737		96,700
		2,266,549		2,298,634
LESS: 8% DEBENTURE STOCK 1988/93 (note 4)		500,000		500,000
NET ASSETS EMPLOYED		£1,766,549		£1,798,634

Representing				
SHARE CAPITAL				
Ordinary shares of 50p each		1,200,000		1,200,000
SHARE PREMIUM ACCOUNT		254,482		254,482
CAPITAL RESERVE		64,478		52,565
UNREALISED APPRECIATION OF INVESTMENTS (note 5)		162,608		189,846
RETAINED EARNINGS		29,258		32,163
TOTAL OF SHAREHOLDERS' INTERESTS		1,710,826		1,729,056
DEFERRED LIABILITIES (note 5)				
Capital gains tax at 30% (note 6)	52,290		64,003	
Dollar premium—proportion to be surrendered	3,433		5,575	
		55,723		69,578
		£1,766,549		£1,798,634

	1969 p	*1970* p
Equivalent to the following amounts per share:		
Net assets employed	73·6	74·9
Deferred liabilities	2·3	2·9
	71·3	72·0

NOTES:

1. We have obtained confirmation from the Company's investment managers, Leopold Joseph & Sons Limited, that the Company's investments were held by them or to their order at 31st October, 1969 and 1970.

2. The market value of the quoted investments at 31st October, 1970, has been ascertained by taking the middle market prices quoted on the respective dates to which has been added, where applicable, the full investment dollar premium of 26¾ per cent. in 1969 and 30⅞ths per cent. in 1970.

3. At 31st October, 1970, the Company held the following investment representing more than 10 per cent. of the particular class of issued share capital:

Company	*Class of share*	*Percentage held*
C.T. Construction (Herts) Limited	£1 ordinary	50%

4. The 8% Debenture Stock 1988/93 was created in October, 1968, and is secured by a first floating charge over the whole of the undertaking and assets of the Company.

5. Unrealised appreciation of investments held by the Company at 31st October, 1969 and 1970, is stated after deducting the amount set aside as deferred liabilities for specific contingencies which would have arisen had the investments been sold at the amounts at which they are stated at these dates.

6. The Company has satisfied the conditions for approval under Section 359, Income and Corporation Taxes Act, 1970; as a result, capital gains realised by the Company will be chargeable to tax at the rate of 30 per cent.

7. The Company had an investment in subsidiaries at 31st October, 1970, at cost less amounts written off, of £108,340. This was represented by amounts advanced to the Company of £108,240 and net current assets of £388.

PROFITS

The income, expenditure and profits (loss) before taxation of the Group for the six accounting periods ended 31st October, 1970, arrived at on the basis set out below, were as follows:—

	Year ended 31st March 1966 £	*1967* £	*1968* £	*7 months ended 31st October 1968* £	*Year ended 31st October 1969* £	*1970* £
INCOME						
Investment income—						
Franked	48,161	24,285	27,655	13,260	49,102	60,252
Unfranked	8,865	6,693	8,140	5,270	44,931	39,822
Interest on family loans	9,331	3,738	4,575	2,467	—	—
Deposit interest	6,815	9,362	10,432	12,739	24,195	10,916
Underwriting commission	2,012	4,330	1,087	1,568	1,694	2,357
Rent receivable	7,111	—	—	—	—	—
	82,295	48,408	51,889	35,304	119,922	113,347
EXPENDITURE						
Debenture stock interest	1,875	—	—	192	32,246	40,000
Bank interest	320	1,642	79	2,083	127	134
Interest in family deposits	10,882	9,356	8,019	6,219	—	—
Expenses of management	22,403	20,281	21,132	12,156	10,409	11,251
Rent of investment property	4,000	—	—	—	—	—
	39,480	31,279	29,230	20,650	42,782	51,385
PROFIT BEFORE TAXATION AND EXCEPTIONAL ITEMS	£42,815	£17,129	£22,659	£14,654	£77,140	£61,962
EXCEPTIONAL ITEMS						
Cost of annuities purchased to secure pensions	—	—	—	26,166	—	—
Special payment to former director	—	—	—	—	—	5,000
	—	—	—	26,166	—	5,000
PROFIT/(LOSS) AFTER EXCEPTIONAL ITEMS BUT BEFORE TAXATION	£42,815	£17,129	£22,659	(£11,512)	£77,140	£56,962

The profits (loss) shown above are stated before deducting taxation but after charging all expenses of working and management including debenture and other interest payable. They do not include profits and losses on the realisation of investments, less capital gains tax thereon, which are credited direct to capital reserve.

Corporation tax on the profit for the year ended 31st October, 1969, amounted to £11,006 after relief for overseas taxation paid of £1,916. There was no corporation tax charge on the profit for the year ended 31st October, 1970.

In October, 1968, the Company arranged a placing of £500,000 nominal of 8 per cent. Debenture Stock 1988/93 and issued 1,191,666 ordinary shares to the public, the net proceeds of these two issues being £1,368,853. As a result of the issue the Company ceased to be a close company controlled by the family of the late Viscount Kemsley and obtained a public quotation. During the period up to 31st October, 1968, members of the Kemsley family made deposits with the Company and borrowed from the Company. No such deposits or borrowings were outstanding at 31st October, 1968, nor have any been made since then. With certain minor exceptions, interest was charged *and credited on these loans and deposits; the rate of interest was* 1 per cent. above and 1 per cent. below Bank Rate respectively.

The loss for the seven months ended 31st October, 1968, is stated after charging £26,166 being the cost of annuities purchased to secure as from 1st October, 1968 pensions of £3,500 per annum previously paid by the Company and charged as expenses of working and management.

Investment income shown above included the following income from unquoted investments: Years ended 31st March, 1966, £1,125; 1967, £450; 1968, £2,859, 7 months ended 31st October, *1968, £1,469; years ended 31st October*, 1969, £2,111; and 1970, £3,304.

The expenses of management for the year ended 31st October, 1970, include directors' emoluments of £1,750. No changes are proposed in the arrangements for directors' emoluments.

DIVIDENDS

The rates of dividend paid by the Company in respect of the five years and seven months ended 31st October, 1970 were as follows:—

	Issued ordinary share capital of: £	*Rate of dividend* %
Year ended 31st March		
1966	540,000	7
1967	540,000	4
1968	540,000	3½
7 months ended 31st October, 1968	1,200,000	—
Year ended 31st October—		
1969	1,200,000	4½
1970	1,200,000	4½

On 16th October, 1968, the company redeemed its preference share capital of £87,500. Dividends at the rate of 5 per cent. per annum were paid on this capital for the years ended 31st March, 1966, 1967 and 1968 respectively, and for the period from 1st April, 1968, to the date of redemption.

ACCOUNTS

No accounts have been prepared for submission to members since those for the year ended 31st October, 1970.

Yours faithfully,
Price Waterhouse & Co.

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SPORT 2: YACHTING

Lack of liaison hits two major events

By ALEC BEILBY

THE SIXTH annual series of inshore and offshore races for the Half Ton Cup, which starts with a short inshore race off Portsmouth to-day, has attracted entries from eight nations. But, despite this, international appeal may well be overshadowed by the Admiral's Cup series which begins with the start of the Channel race at Southsea next Friday.

Sad

This is sad because whereas following the fortunes or misfortunes of yachts in the Admiral's Cup teams is often confusing due to handicapping the Half Ton Cup is a straightforward boat-for-boat series with the national team points trophy taking second place in importance to the main international trophy for the overall winner. Sweden is the holder of both prizes.

The event is limited to the tiddlers of the offshore racing game and the courses during the week provide variety ranging from two inshore Olympic circuits off Hayling Island to a 200-mile offshore race that will take the 32 yachts to the French coast and back. This long race is at present planned to take place at the same time as the 47 Admiral's Cup entries and 120 Channel race competitors will be doing roughly the same thing in the same area.

This in itself threatens to cause some confusion and shows a lack of liaison between the various national authorities whose job it is to organise and co-ordinate the dates and venues of international events of similar types.

On the national front Britain (sorry, England) is represented by Michael Swain's Swedish-designed Olivia Anne, Derek Fitzgerald's She Too and Bruce Banks's Solent points-winning yacht Windsprite of Hamble. Both Windsprite and She Too are designed by the Sparkman and Stevens team, the Americans who also designed the British Admiral's Cup team yachts. Scotland has divided British unity with the entry of William Mackay's aptly named Scottish Pride.

Reflection

It is a rather sad reflection on British designers that all the English team yachts are designed abroad whereas the team of three yachts from France, the only other nation competing for the team trophy, are French-designed and built. The two Swedish yachts are also entirely homegrown and Scampi III, designed and sailed by Peter Norlin, is a favourite to win the cup. Norlin is the present holder.

England's individual hopes must rest with Banks's Windsprite, a giant-killer of the past two seasons, but some upsets in apparent form could well be expected from the American entry Crocodile which is designed by Dick Carter and sailed by his brother John.

Spanish Government urged to step up supervision of hotels

FINANCIAL TIMES REPORTER

MORE SUPERVISION over hoteliers by the Spanish Government and heavier fines for infringements are being sought by the Association of British Travel Agents following further incidents this year of U.K. holidaymakers finding their hotels unfinished on arrival and also cases of over-booking. Similar complaints about some Spanish hotels were made last year.

The Association is hoping to send an official delegation to Madrid this week for talks on the effect over-booking has on the demand for Spanish holidays. The most recent case is the Hotel El Toro, in Benidorm, where holidaymakers booked by Clarksons, the package-tour operator, arrived to find their rooms unfinished and workmen still building the two top floors of the hotel.

Clarksons announced over the week-end that it is to sue the Hotel El Toro.

Mr. Robert Waller, ABTA chairman, said yesterday that he expected full co-operation from the Spanish Government. "Not only are they going to listen to our objections, I am quite certain they will take the necessary powers to overcome them in the form we advocate."

The Association will seek a 5 per cent. limit on the amount by which hoteliers can over-book. "Over-booking is not illegal and hotels do it in every country because there is always a shortfall at the last moment. It is the degree of over-booking which is important.

"It becomes a problem when the situation is as high as 30-40 per cent. While this could be overcome in the off-peak period, when you reach the peak of the season it is impossible to find alternative accommodation," said Mr. Waller.

ABTA and individual tour firms have already made written complaints to certain Spanish local authorities.

Advice on problem of absenteeism

ADVICE to management on how to tackle the increasing problem of absenteeism in British industry is contained in a study prepared for the Department of Employment by Mr. Richard M. Jones, of Manchester University, and published to-day.

The study says that there are no comprehensive statistics, but the available evidence suggests that the level of absenteeism is rising. The increase is not confined to Britain, but is being experienced by many other industrial nations.

Manpower Papers No. 4. HMSO. Price 45p net.

Doctors in Whitehall talks this week

THE British Medical Association will present its views of the proposed reorganisation of the National Health Service to Sir Keith Joseph, Social Services Secretary, early this week.

The final touches were being put by senior officials yesterday to a document incorporating a motion passed at a special representative meeting at Leicester on Saturday. Dr. Derek Stevenson, secretary of the BMA, expects to take it to the Department of Health on Tuesday.

The document will express concern that, unless the proposals of the Government are modified, the influence of doctors will be reduced. Lay administrators will gain more influence and medical standards and care of patients could suffer.

The doctors will also ask for a larger role in the deliberations of the working parties which will report on various aspects of the reorganisation before legislation is introduced, possibly next year.

Bill 'may fall into disuse'

ATTEMPTED SHORT-CUTS to achieve good industrial relations are attacked to-day by Mr. George Woodcock, the former general secretary of the TUC.

No great upheavals would be created by the Industrial Relations Bill, and it might fall into disuse, he says.

In the business magazine Industrial Management he speaks up for the two-year-old Commission on Industrial Relations which he is leaving as chairman.

STATUTORY AND GENERAL INFORMATION

Share Capital and Subsidiaries

The Company was incorporated in England on 24th November, 1933, as a private company under the Companies Act 1929, and on 16th October, 1968, was converted into a public company and new Articles of Association were adopted. On 23rd July, 1971, the authorised share capital of the Company was increased from £1,200,000 to £3,000,000 by the creation of 3,600,000 additional Ordinary Shares of 50p each.

The Company has two wholly-owned subsidiaries, Chandos and Finance, both of which were incorporated in England. Chandos was incorporated on 5th February, 1947, and has an issued share capital of £5,000 divided into 4,900 4 per cent. Non-Cumulative Preference Shares and 100 Ordinary Shares all of £1 each. Finance was incorporated on 16th September, 1968, and has an issued share capital of £100 divided into 100 Ordinary Shares of £1 each.

By the Material Contract mentioned below Leopold Joseph & Sons Limited has agreed, subject to permission to deal in and quotation for the Ordinary Shares and the Warrants, to underwrite the issue of 600,000 Ordinary Shares of 50p each and the 300,000 Warrants now being issued for a fee of £2,500 and a commission of 1½ per cent. on the issue prices out of which it will pay sub-underwriting commission.

The Ordinary Shares now being issued will rank for all dividends hereafter declared on the Ordinary Share capital of the Company and in all other respects *pari passu* and form one class of shares with the existing issued Ordinary Shares. Subject to any special terms as to voting upon which any shares may be issued, or may for the time being be held, every member present in person (or, in the case of a member being a corporation, by its duly authorised representative) shall upon the show of hands have one vote and every member present in person or by proxy (or, in the case of a member being a corporation, by its duly authorised representative) shall upon a poll have one vote for every share held by him.

Directors' and Substantial Interests

The Directors are the holders and beneficial owners of Ordinary Shares of the Company as follows:—

Viscount Kemsley	30,000	The Hon. Denis Berry	55,000
The Hon. Anthony Berry	20,000	R. M. Cox-Johnson	—
R. S. Dossor	—		

Trusts, the Trustees of which include Viscount Kemsley, the Hon. D. Berry or the Hon. A. G. Berry or which include members of their families as beneficiaries, hold a total of 918,810 Ordinary Shares of the Company.

The Directors are not aware of any shareholding which represents 10 per cent. or more of the issued share capital of the Company.

Particulars of the Warrants

The Warrants will contain provisions to the following effect:—

1 (a) A registered holder for the time being of a Warrant shall in accordance with the following provisions have rights ("subscription rights") to acquire Ordinary Shares of the Company by subscribing in cash at any time and from time to time the number of Ordinary Shares of the Company which the Warrant entitles the holder to subscribe at the price of 80p per Ordinary Share payable in full on subscription. The number of shares to be subscribed and the price will be subject to adjustment as provided in paragraph 2 below.

(b) In order to exercise in whole or in part the subscription rights the registered holder of a Warrant must lodge at the office of the Registrars of the Company the relevant Warrant Certificate having completed the Notice of Subscription thereon, accompanied by a remittance for the subscription price of the Ordinary Shares in respect of which the subscription rights are exercised. Once lodged a Notice of Subscription shall be irrevocable. Compliance must also be made with any Exchange Control or other statutory requirements for the time being applicable.

(c) Ordinary Shares issued pursuant to the exercise of the subscription rights will be allotted not later than 14 days after and with effect from the date of lodgement of the relevant Warrant Certificate at the office of the Registrars of the Company ("the subscription date") and Certificates in respect of such Ordinary Shares will be issued not later than 42 days after the subscription date to the persons in whose names the Warrants are registered at the date of such exercise or to such persons as the registered holders may nominate in an appropriate Form of Nomination.

(d) Warrants, the subscriptions rights conferred whereby have been exercised, will be cancelled.

(e) *Any Ordinary Share allotted pursuant to the exercise of the subscription rights will* rank for all dividends declared for payment to Ordinary Shareholders on the Register at a record date falling on or after the exercise of the subscription rights and otherwise *pari passu* in all respects with the Ordinary Shares of the Company in issue on the relevant subscription date.

(f) The Company will apply to the Council of The Stock Exchange, London, for permission to deal in and for quotation for Ordinary Shares allotted pursuant to the exercise of the subscription rights and will use its best endeavours to obtain the grant thereof not later than 14 days after the relevant subscription date.

2 (a) If at any time the Company shall issue Ordinary Share capital to holders of its Ordinary Shares registered as such by way of capitalisation of profits or reserves then (i) the nominal amount of Ordinary Share capital for which a holder of a Warrant is entitled to subscribe shall be increased proportionately to the increase in the nominal amount of the issued Ordinary Share capital of the Company arising upon such capitalisation issue and (ii) the subscription price for each £1 nominal of Ordinary Share capital shall be reduced proportionately. Fractions will be disregarded. The Company will send to each holder of a Warrant within 28 days of any such capitalisation issue a notice thereof and such notice shall specify the revised basis of subscription.

(b) If at any time the Company shall sub-divide or consolidate its Ordinary Shares into a *smaller or larger denomination the Company will make appropriate adjustments to* the number of Ordinary Shares in respect of which the subscription rights may be exercised and to the subscription price. The Company will send to each holder of a Warrant within 28 days of any such sub-division or consolidation a notice thereof and such notice shall specify the revised basis of subscription.

(c) If the Company shall make to the holders of its Ordinary Shares any offer or invitation it shall at the same time extend to holders of Warrants the same offer or invitation as would fall to be made to them if the subscription rights attached to the Warrants held by them had been exercised in full immediately before the record date of any such offer or invitation.

3 So long as any of the subscription rights are exercisable:—

(a) The Company will ensure that its authorised Ordinary Share capital at all times exceeds its issued Ordinary Share capital by an amount sufficient to satisfy in full the entitlement to Ordinary Shares arising from the exercise of the subscription rights attached to the Warrants and any other rights of subscription over or conversion into Ordinary Shares of the Company.

(b) Except pursuant to a scheme approved by the Company in General Meeting whereby securities of the Company are made available to employees (including executive directors) of the Company or any of its subsidiaries by reason of their office or employment the Company will not (i) distribute to its members capital profits or *capital reserves or profits or reserves arising from a distribution of capital, profits* or reserves of a subsidiary except pursuant to a resolution for the capitalisation thereof in the form of fully paid Ordinary Share capital, or (ii) issue any securities by way of capitalisation of profits or reserves other than fully paid Ordinary Shares to holders of its Ordinary Shares.

(c) The Company will not reduce its share capital or (except as authorised by Sections 56 (2) or 58 (5) of the Companies Act 1948) any Share Premium Account or Capital Redemption Reserve Fund.

(d) The Company will not issue any Ordinary Shares credited as fully paid by way of capitalisation of profits or reserves if as a result holders of the Warrants would become entitled to subscribe for Ordinary Shares at less than par.

(e) The Company will not issue any equity share capital which as regards rights as to voting, dividends or capital has more favourable rights to the holder than those attached to the Ordinary Share capital existing at the time of such issue, provided that this provision shall not apply to the issue of equity share capital pursuant to any scheme approved by the Company in General Meeting to employees (including executive directors) of the Company or any of its subsidiaries by virtue of their office or employment.

(f) The Company will not modify the rights attached to its Ordinary Share capital as a class or modify the rights attached to any other class of equity share capital so as *regards any of the matters referred to in the preceding sub-paragraph (e) such class* has rights more favourable to the holders than those attached to the Ordinary Share capital.

(g) If an effective resolution is passed to place the Company in voluntary liquidation a Warrant holder will be treated as if he had immediately before the date of the passing of such resolution exercised his subscription rights and he will be entitled to receive out of the assets available in the liquidation *pari passu* with the holders of the Ordinary Share capital of the Company such a sum, if any, as he would have received had he been the holder of the Ordinary Shares to which he would have become entitled by virtue of such subscription after deducting a sum equal to the subscription moneys which would have been payable by him in respect of such Ordinary Shares if he had exercised the subscription rights in respect thereof. Nothing contained in this sub-paragraph shall have the effect of requiring a Warrant holder as such to make any further payment to the Company.

(h) If at any time an offer is made to all Ordinary Shareholders of the Company (or all such shareholders other than the offeror and/or any company controlled by the offeror and/or persons acting in concert with the offeror) to acquire the whole or any part of the issued Ordinary Share capital of the Company and the Company becomes aware that as a result of such offer the right to cast a majority of the votes which may ordinarily be cast at a general meeting of the Company has become *vested in the offeror and/or such persons or companies as aforesaid, the Company* shall give notice to the Warrant holders of such vesting within 14 days of its becoming so aware.

4 All or any of the rights and privileges for the time being attached to the Warrants may be varied or abrogated in any manner with the consent in writing of holders of the Warrants entitling such holders to subscribe for not less than three-fourths of the Subscription Shares or with the sanction of an Extraordinary Resolution passed at a meeting of the Warrant holders. To any such meeting all the provisions of the Articles of Association for the time being of the Company shall *mutatis mutandis* apply as though the Subscription Shares were a class of shares forming part of the share capital of the Company. For the purposes of this paragraph:—

(a) "Subscription Shares" means the aggregate number of Ordinary Shares for which the Warrant holders are at the relevant time entitled to subscribe: and

(b) the expression "Extraordinary Resolution," *means a resolution passed at a meeting* of the Warrant holders duly convened and held and carried by a majority consisting of not less than three-fourths of the votes cast upon a show of hands or if a poll is duly demanded by a majority consisting of not less than three-fourths of the Subscription Shares in respect of which the votes are cast on the poll. On a show of hands each Warrant holder present in person shall have one vote and on a poll each Warrant holder present in person or by proxy shall have one vote for every *Subscription Share for which he is entitled to subscribe.*

5 The Company and its subsidiaries shall have the right to purchase subscription rights in the market or by tender available to all holders of the Warrants alike at any price or by private treaty at a price not more than 10 per cent. in excess of the middle market quotation on the previous dealing day. All subscription rights so purchased shall forthwith be cancelled and shall not be available for reissue or sale.

6 The Company will send to every Warrant holder for information a copy of all accounts, notices and circulars sent to Ordinary Shareholders of the Company at the same time and in the same manner as they are sent to such Ordinary Shareholders but holders of Warrants will not be entitled, as such, to attend or vote at any General Meeting of the Company or any meeting of the holders of any class of shares of the Company.

7 Each Warrant will be registered and the subscription rights in respect of all or any of the Ordinary Shares comprised therein will be transferable by instrument of transfer in the usual common form or in any other form approved by the Directors of the Company. The provisions of the Articles of Association for the time being of the Company relating to the registration and transfer of shares shall apply *mutatis mutandis* to the Warrants.

Material Contract

The following contract, not being a contract entered into in the ordinary course of business and which is or may be material, has been entered into within the two years immediately preceding the date of this Prospectus:—

Dated 23rd July, 1971, between the Company (1) and Leopold Joseph & Sons Limited (2) being the contract referred to above whereby Leopold Joseph & Sons Limited agreed to underwrite these issues for a fee of £2,500 and a commission of 1½ per cent. on the issue prices.

General

Except as herein mentioned:—

(i) there have been no alterations in the share capital of the Company or its subsidiaries and no share capital of the Company or its subsidiaries has been issued during the two years preceding the date of this Prospectus nor is any proposed to be issued;

(ii) no unissued share capital of the Company or its subsidiaries is under option or agreed conditionally or unconditionally to be put under option;

(iii) no commissions, discounts, brokerages or other special terms have been granted in the two years preceding the date of this Prospectus in connection with the issue or sale of any capital of the Company or its subsidiaries;

(iv) neither the Company nor any of its subsidiaries has any litigation or claims of material importance pending or threatened against it.

The Company has obtained clearance pursuant to Section 464 of the Income and Corporation Taxes Act 1970 to the issue of Ordinary Shares and Warrants referred to in this Prospectus.

No issue of shares will knowingly be made by the Company which could effectively alter its control without the prior approval of shareholders in General Meeting.

None of the Directors has any Service Agreement with the Company or any of its subsidiaries.

The expenses of these Issues including capital duty (£9,000), a fee to the brokers for their services, and the underwriting commission (£6,000), and a fee of £2,500 payable to Leopold Joseph & Sons Limited are estimated to amount to £35,000 and are payable by the Company.

The Hon. A. G. Berry and R. M. Cox-Johnson are Directors of Leopold Joseph & Sons Limited which in addition to the fee and commission mentioned above receives from the Company an annual management fee at the rate of £2,500 per annum. Viscount Kemsley and R. M. Cox-Johnson are also Directors of Leopold Joseph Holdings Limited, the holding company of Leopold Joseph & Sons Limited. They and the Hon. D. G. Berry and the Hon. A. G. Berry are members of that company.

The minimum amount to be raised for the purposes mentioned in paragraph 4 (a) of Part I of the Fourth Schedule to the Companies Act 1948 is £Nil.

Consent

Price Waterhouse & Co. have given and have not withdrawn their written consent to the issue of this Prospectus with their report included herein in the form and context in which it appears. This consent together with a statement setting out the adjustments made by Price Waterhouse & Co. for the purposes of their report and giving their reasons therefor, and a copy of the Material Contract referred to above, was attached to the copy of this Prospectus which has been delivered to the Registrar of Companies for registration.

Documents for Inspection

Copies of the following documents are available for inspection at the offices of Clifford Turner & Co., 11 Old Jewry, London EC2R 8DS, during usual business hours (Saturdays excepted) during the period of 14 days following the date of this Prospectus:—

(i) The Memorandum and Articles of Association of the Company.
(ii) The Material Contract referred to above.
(iii) The Directors' Reports, the Auditors' Reports and copies of the Accounts of the Company for its last two financial years.
(iv) The Accountants' Report contained in this Prospectus, the Statement of Adjustments and the consent referred to above
(v) The Trust Deed dated 28th November, 1968, constituting £500,000 nominal of 8 per cent. Debenture Stock 1988/93.

Dated 23rd July, 1971.

The List of Applications will open at 10 a.m. on 29th July, 1971, and will close on the same day.

This Form should be completed and forwarded to LEOPOLD JOSEPH & SONS LIMITED, NEW ISSUE DEPARTMENT, 31-45 GRESHAM STREET, LONDON, EC2V 7EA, together with a remittance for the full amount due, which must be drawn on a bank situate in England, Scotland or Wales.

O

THANET INVESTMENT TRUST LIMITED

(Incorporated under the Companies Act, 1929)

Issue of 600,000 Ordinary Shares of 50p each at 66p per Share

FORM OF APPLICATION

†† Applications must be for 100 Shares or multiples thereof.

*See table opposite.

To: The Directors,
THANET INVESTMENT TRUST LIMITED,
31-45 Gresham Street,
London, EC2V 7EA

Number of Ordinary Shares for which application is made††	Amount of cheque enclosed*
	£

GENTLEMEN,

Having paid to Leopold Joseph & Sons Limited the above-mentioned sum, being the amount payable in full on application for the above-stated number of Ordinary Shares of 50p each at 66p per Share, I/We apply for that number of Shares and I/We agree to accept the same or any smaller number of Shares in respect of which this application may be accepted upon the terms of your Prospectus dated 23rd July, 1971, and subject to the Memorandum and Articles of Association of the Company. I/We hereby authorise you to procure my/our name(s) to be placed on the Register of Members of the Company as the holder(s) of the said Shares so far as the same are not effectively renounced. I/We authorise you to send a fully paid Renounceable Letter of Allotment in respect of such Shares and/or a cheque representing the return of any application moneys due to me/us by post at my/our risk to the (first) address written below.

** I/We declare that I am/we are not resident outside the Scheduled Territories† and am/are not applying for the above-mentioned Shares as the nominee(s)† of any person(s) resident outside those Territories.

I/We declare that the cheque sent herewith will be paid on first presentation and any allotment to me/us is strictly on this understanding. I acknowledge that Letters of Allotment and cheques for excess application moneys may be held pending clearance of applicants' cheques.

** If this Declaration cannot be made, it must be deleted, and reference should be made to an Authorised Depositary or an Approved Agent in the Irish Republic† through whom this Form should be lodged.

DATE .... 1971. SIGNATURE .... (1)

Surname and designation (Mr., Mrs., Miss or Title.)
Christian Name(s) in full.
Address in full.
(A Corporation should complete this Form under the hand of a duly authorised official who should state his capacity.)

Please write in block letters.

FOR USE BY JOINT APPLICANTS:—

PLEASE WRITE IN BLOCK LETTERS.

Signature .... Signature ....
Surname and designation (Mr., Mrs., Miss or Title) .... (2) Surname and designation (Mr., Mrs., Miss or Title) .... (3)
Christian Name(s) in full .... Christian Name(s) in full ....
Address in full .... Address in full ....

Please pin top left corner of cheque here

Number of Shares applied for	Amount payable on application £
100	66·00
200	132·00
300	198·00
400	264·00
500	330·00
600	396·00
700	462·00
800	528·00
900	594·00
1,000	660·00
2,000	1,320·00
5,000	3,300·00
10,000	6,600·00
and so on in proportion.	

FOR OFFICE USE ONLY
1. Allotment No.
2. Number of Shares accepted
3. Amount received on Application £
4. Amount payable on Shares accepted £
5. Amount returned £
6. Cheque No. Date paid
7. Share Certificate No.
8. Certificate checked
9. Register posted
10. Checked

Cheques should be made payable to "Leopold Joseph & Sons Limited" and crossed "Not Negotiable". A separate cheque must accompany each application. Leopold Joseph & Sons Limited reserve the right to accept or reject any application, in whole or in part, and to present all cheques for payment on receipt and to retain cheques for excess application moneys pending clearance of applicants' cheques.

No receipt will be issued for the amount paid on application but an acknowledgment will be forwarded in due course by Renounceable Letter of Allotment in respect of all or some of the Shares applied for and/or return by cheque through the post of the application money or any surplus thereof.

† Nominee is defined in Notice E.C. Securities 10 (Third Issue) as amended, issued by the Bank of England. The Scheduled Territories at present comprise the British Commonwealth (except Canada and Rhodesia), the Irish Republic, British Trust Territories, British Protectorates and Protected States, Iceland, the Hashemite Kingdom of Jordan, Kuwait, Libya, South Africa and South West Africa, the People's Republic of Southern Yemen, Western Samoa. Authorised Depositaries are listed in the current issue of the Bank of England's Notice E.C. 1 and include banks and stockbrokers in and solicitors practising in the United Kingdom. Approved Agents in the Irish Republic are defined in the current issue of the Bank of England's Notice E.C. 10.

The List of Applications will open at 10 a.m. on 29th July, 1971, and will close on the same day.

This Form should be completed and forwarded to LEOPOLD JOSEPH & SONS LIMITED, NEW ISSUE DEPARTMENT, 31-45 GRESHAM STREET, LONDON, EC2V 7EA, together with a remittance for the full amount due, which must be drawn on a bank situate in England, Scotland or Wales.

W

THANET INVESTMENT TRUST LIMITED

(Incorporated under the Companies Act, 1929)

Issue of 300,000 Warrants at 28p per Warrant

FORM OF APPLICATION

†† Applications must be for 100 Warrants or multiples thereof.

*See table opposite.

To. The Directors,
THANET INVESTMENT TRUST LIMITED,
31-45 Gresham Street,
London, EC2V 7EA

Number of Warrants for which application is made††	Amount of cheque enclosed*
	£

GENTLEMEN,

Having paid to Leopold Joseph & Sons Limited the above-mentioned sum, being the amount payable in full on application for the above stated number of Warrants at 28p per Warrant, I/We apply for that number of Warrants and I/We agree to accept the same or any smaller number of Warrants in respect of which this application may be accepted upon the terms of your Prospectus dated 23rd July, 1971, and subject to the Memorandum and Articles of Association of the Company. I/We hereby authorise you to procure my/our name(s) to be placed on the Register as the holder(s) of the said Warrants so far as the same are not effectively renounced. I/We authorise you to send a fully paid Renounceable Letter of Allotment in respect of such Warrants and/or a cheque representing the return of any application moneys due to me/us by post at my/our risk to the (first) address written below.

** I/We declare that I am/we are not resident outside the Scheduled Territories† and am/are not applying for the above-mentioned Warrants as the nominee(s)† of any person(s) resident outside those Territories.

I/We declare that the cheque sent herewith will be paid on first presentation and any allotment to me/us is strictly on this understanding. I acknowledge that Letters of Allotment and cheques for excess application moneys may be held pending clearance of applicants' cheques.

** If this Declaration cannot be made, it must be deleted, and reference should be made to an Authorised Depositary or an Approved Agent in the Irish Republic† through whom this Form should be lodged.

DATE .... 1971. SIGNATURE .... (1)

Surname and designation (Mr., Mrs., Miss or Title.)
Christian Name(s) in full.
Address in full.
(A Corporation should complete this Form under the hand of a duly authorised official who should state his capacity.)

Please write in block letters.

FOR USE BY JOINT APPLICANTS:—

Signature .... Signature ....
Surname and designation (Mr., Mrs., Miss or Title) .... (2) Surname and designation (Mr., Mrs., Miss or Title) .... (3)
Christian Name(s) in full .... Christian Name(s) in full ....
Address in full .... Address in full ....

Please pin top left corner of cheque here

Number of Warrants applied for	Amount payable on application £
100	28·00
200	56·00
300	84·00
400	112·00
500	140·00
600	168·00
700	196·00
800	224·00
900	252·00
1,000	280·00
2,000	560·00
5,000	1,400·00
10,000	2,800·00
and so on in proportion.	

FOR OFFICE USE ONLY
1. Allotment No.
2. Number of Warrants accepted
3. Amount received on Application £
4. Amount payable on Warrants accepted £
5. Amount returned £
6. Cheque No. Date paid
7. Warrant Certificate No.
8. Warrant Certificate checked
9. Register posted
10. Checked

Cheques should be made payable to "Leopold Joseph & Sons Limited" and crossed "Not Negotiable". A separate cheque must accompany each application. Leopold Joseph & Sons Limited reserve the right to accept or reject any application, in whole or in part, and to present all cheques for payment on receipt and to retain cheques for excess application moneys pending clearance of applicants' cheques.

No receipt will be issued for the amount paid on application but an acknowledgment will be forwarded in due course by Renounceable Letter of Allotment in respect of all or some of the Warrants applied for and/or return by cheque through the post of the application money or any surplus thereof.

† Nominee is defined in Notice E.C. Securities 10 (Third Issue) as amended, issued by the Bank of England. The Scheduled Territories at present comprise the British Commonwealth (except Canada and Rhodesia), the Irish Republic, British Trust Territories, British Protectorates and Protected States, Iceland, the Hashemite Kingdom of Jordan, Kuwait, Libya, South Africa and South West Africa, the People's Republic of Southern Yemen, Western Samoa. Authorised Depositaries are listed in the current issue of the Bank of England's Notice E.C. 1 and include banks and stockbrokers in and solicitors practising in the United Kingdom. Approved Agents in the Irish Republic are defined in the current issue of the Bank of England's Notice E.C. 10.

Businessman's Diary

Highways to Weymouth

/ER 70 companies have reserved sites at the Works and Highways Exhibition so far. This takes up around 20,000 square feet of display space out of the total 26,000 square feet available. But the organisers expect the event to be fully sold by the time it takes place at Swannery Park, Weymouth, on September 15-16.

The show is to accompany the annual conference of the Institute of Works and Highways Superintendents. At its last appearance there were over 3,000 visitors from local authorities and construction and civil engineering. This year, however, the Institute's potential audience has been increased by the inclusion of qualified supervisors and managers.

No flying aircraft

THE Business and Light Aviation Show is not a public spectacle and there will be no flying displays, but Cranfield Institute of Technology's airfield will be the centre of these interests from September 1-5. The show is being presented in partnership with five British professional bodies in the field who will be running their own conventions during the event.

One course to be offered will be on engineering for the private owner who does not have a fixed-base maintenance organisation, and should attract any pilot who is interested in work he can carry out on his aircraft. There are 42 exhibitors so far.

U.K. TRADE FAIRS AND EXHIBITIONS

Date	Title	Venue
Current	Ideal Homes Exhibition (cl. July 31)	The Park, Gloucester
To-day	British Medical Association Ex. (cl. July 30)	Leicester University
July 28—31	National Collectors' Fair	Old Horticultural Hall
July 29—Aug. 7...	*Birmingham and Midlands Do-It-Yourself Exbn.*	*Bingley Hall, Birmingham*
August 3—7	Tyneside Summer Exhibition and Agric. Show	Exbn. Park, Newcastle-upon-T.
August 8—12 ...	International Gifts Fair	Earls Court
August 10—14 ...	Ideal Home Exhibition	Drill Hall, Northampton
August 15—19 ...	British Musical Instrument Trade Fair	Bloomsbury Ctr. Htl., W.
August 16—19 ...	British Furniture Manufacturers Trade Exhibition	Belle Vue, Manchester
August 22—26 ...	Midlands Gift Fair	City Hall, Solihull
August 23-Sept. 4	World Sportacular	Earls Court

OVERSEAS TRADE FAIRS AND EXHIBITIONS

Current	British Exhibition of Machine Tools (cl. Aug. 3)	Moscow
Current	International Jewellery Show (cl. July 28)	New York
Current	National Fancy Food Show (cl. July 28)	New York
July 27—Aug. 1...	International Metal Working Machines Exhibition	Tokyo
July 31—Aug. 8...	*International Fair of Arts and Antiques*	*Halsinborg, Sweden*
August 2—7	Air Conditioning Exhibition	Johannesburg
August 2—7	Engineering Exhibition	Melbourne
August 5—14 ...	Royal National Agricultural and Industrial Show	Brisbane
August 6—15 ...	Alsatian Wine Fair	Colmar, France
August 6—22 ...	International Trade Fair	Messina, Italy
August 7—15 ...	Timber Fair	Klagenfurt, Austria
August 12—21 ...	International Trade Fair	Sydney
August 13—22 ...	Swedish Trade Fair	Malmo
August 16—21 ...	Education and Careers Exhibition	Johannesburg
Aug. 18—Sept. 4	International Trade Fair	Wellington
August 19—22 ...	International Men's Fashion Week	Cologne
August 20—28 ...	Surgery Congress and Exhibition	Moscow
August 23—28 ...	Exhibition on Information Processing	Ljubljana

BUSINESS AND MANAGEMENT CONFERENCES

Current	Intl. Mktg. Programme: Annual Conf. (cl. July 30)	Gonville & Caius, Cambridge
August 2—4	Clark Johnston: Systems Analysis	Kenilworth Hotel, W.C.
August 2—4	BIS Training: Industrial Selling	Kensington Palace Hotel, W.
August 2—6	MSC: An Introduction to Management	Alexandra National Hotel, N.
August 2—27 ...	HMP School of Mgmt. Services: Work Study	Beeston, Nottingham
August 5	Industrial Soc: Industrial Relations Bill	Royal Lancaster Htl., W.
August 12	J. Morrell: Which Way for the Stock Market	Hilton Hotel, W.
August 16—20 ...	Mgmt. Studies: Scientific Stock Control	Alexandra National Hotel, N.
August 22—27 ...	Guardian Business: Instructor Training	*21, St. John Street, W.C.1*

Pay policy showing results —Heath

MR. ANTHONY BARBER'S mini-Budget would have been impossible without the Government's firm stand against inflationary pay settlements, Mr. Heath said at Gloucester on Saturday.

He described the aim of the Industrial Relations Bill—to be put on the Statute Book within the next two weeks—as "to put our industrial relations on a fair basis of modern, up-to-date law.

"I believe this aim is increasingly *recognised and accepted by* everyone in industry. Already we have seen a welcome improvement in the number of strikes."

"The significant fact was that the number of stoppages in the first five months of this year was less than half that of the same period in 1970.

"*The point I want to make is* that if we had not taken this stand, if we had abandoned our Industrial Relations Bill, then the measures announced earlier this week would not have been possible.

"We decided that we must resist inflationary wage settlements and *encourage others to* do the same," said Mr. Heath. "We could have followed the advice of those who told us to set up a great new apparatus for compulsory State control of prices and incomes. Our predecessors had tried and it ended in failure."

Gradually the truth had sunk home that if wages rose faster than output then the only result was higher prices in the shops and lower investment. "Slowly perhaps, but surely, the size of wage claims and of wage settlements is coming closer to reality," the Prime Minister *declared.*

£4M AYR HOLIDAY CENTRE INQUIRY

A proposed £4m. holiday complex scheme on farmland at Balig, on the Ayrshire coast, will be the *subject of a public inquiry* at Ballantrae on August 17. The inquiry, ordered by the Secretary of State for Scotland after objections to the scheme, was postponed *from July 8 because* a witness was unable to attend. The Ailsa Craig Development Company, promoted principally by a local farmer, Mr. R. H. U. Stevenson, and his son proposed the complex should include a conference centre, hotel, cinema, golf course, swimming pool and about 450 chalet-type holiday homes.

THE WEEK IN THE COURTS

Plain words for taxpayers and motorists

BY JUSTINIAN

"PLAIN WORDS" was the edict *of that great public servant* Sir Ernest Gowers to civil servants in their written communications. It is also a general rule that the plain words of Parliament must be used for taxation of the citizen—but that was until last week when the House of Lords, in *Greenberg v. Commissioners of Inland Revenue*, recognising the desperation of Parliament to combat the ingenuities of tax avoiders, abandoned the rule.

Dividends

For many years judges have been on the side of the taxpayer. One Scottish judge put it thus: "No man in this country is under the smallest obligation, moral or other, so to arrange *his legal relations* so as to enable the Inland Revenue to put the largest possible shovel into his stores. The Inland Revenue is not slow to take every advantage which is open to it for the purpose of depleting the taxpayer's pocket so far as it honestly can."

But the taxpayer's astuteness is illustrated by the device of "dividend - stripping" which flourished like a green bay tree until the rules of the game were drastically altered by Parliament in 1955 and 1960—although the devices have rumbled on for a decade. It was a variant, "forward dividend-stripping," which only just fell foul of the law in Greenberg's case.

The courts have become increasingly aware in recent years *that the initiative in the tax* game lies very much with the taxpayer. It often takes a long time for any new tax-avoidance device to come to light and for the courts to rule on its effectiveness. While the process of detection and judicial testing is undertaken there are usually *pretty pickings to be had for* years on end before Parliament (a) can do anything about it (b) actually does it and (c) does it effectively.

The legislature took two bites at dividend-stripping, and even then the practice has continued. Section 28 of the Finance Act, 1960, brought within the fiscal net every transaction carried out with the main object of gaining a tax advantage. But the section was not to be retroactive: *if the transaction was carried out* before April 5, 1960, the dividend-stripping taxpayer could benefit from his pre-legislative ingenuity.

In Greenberg's case all the initial arrangements for carrying out the scheme were completed by the end of 1958. Special shares in the taxpayer's company *had been created and sold by the* taxpayer to a finance company, *registered as a shareholder. What* alone remained to be done was that in each of the following five years the taxpayer's company would declare a dividend which would be paid to the finance company, the finance company would then pay the taxpayer the sum it received as dividend, and the *taxpayer would receive that sum* as an instalment of the price of the shares which he had sold. The tax evasion failed if the transactions were not "carried out" before April 5, 1960.

Counsel for the taxpayer argued that the payments at later dates of instalments of the price were not acts relating to the sale of the shares, but were quite separate. Lord Reid heartily disliked the idea of calling each payment of one instalment of the price of a share a separate transaction. It led him to conclude that plain words are seldom adequate to anticipate *and forestall the multiplicity of* ingenious schemes constantly being devised to evade taxation. Parliament had set its face against these schemes and if courts were unable to stop the revenue gap Parliament would resort inevitably to legislation of a more sweeping character.

The explanation of the verbal difficulties presented to the courts was that in legislation of such extreme complexity it is not humanly possible for the Parliamentary draftsman to preserve that consistency in the use of language usually expected. Indeed, the courts' normal meticulous methods of statutory construction lead to an over-concentration on verbal niceties. Thus the House of Lords was driven to paying *more attention to the provision* read as a whole and not dissected into parts and subjected to *logic-chopping*. It was in this way possible to conclude that each payment of an instalment *of the price of the shares* was a separate transaction and that therefore Section 28 applied to *all instalments paid after* April 5, 1960—a belated victory over another dividend-stripper.

Endorsements

Plain words in the Road Traffic Act, 1962, did not seem *to help the oppressed motorist.* In *Woodage v. Lambie*, the Divisional Court, by a majority, restricted magistrates' powers to decide not to disqualify a convicted motorist whose licence had been endorsed three times within three years.

Section 5 (3) of the Act says *that the thrice-convicted motorist* shall be disqualified from *driving for a period of not less* than six months "unless the court is satisfied, having regard to all the circumstances, that there are factors mitigating the normal consequences of the conviction and thinks fit . . . not to order him to be disqualified." Mr. Lambie was convicted by *Reading Justices for speeding.* He had two similar convictions in 1968. He was fined £20 and his licence endorsed. Mr. Lambie, in mitigation, was allowed to call evidence showing that the two previous speeding convictions were for driving at 34 and 37 mph respectively on restricted roads. *The justices thought* that the triviality of the three offences did not merit the loss of Mr. Lambie's licence, even for six months.

The Lord Chief Justice and Mr. Justice Lawson (until recently a member of the Law Commission) said that the magistrates were *wrong* to go behind the endorsement of Mr. Lambie's licence on the first and second offences. When Parliament said, "having regard to all the circumstances," the magistrate was limited to all the circumstances relevant only to the third offence. The reasoning behind this *implied limitation on* unambiguous words was the fact that section 5 (3) is primarily concerned with the motorist who committed not serious but *repetitive offences within a short* period of time. The relative triviality of the earlier offences was not a factor relevant to that issue.

Infectious

Mr. Justice O'Connor saw a simplistic answer. It was a principle of all sentencing for a *criminal offence*—speeding is a crime—that an offender can always plead in mitigation an explanation of his previous offences. Nothing in section 5 (3) deprived a motorist of his *right to give any explanation* for his speeding offences. "All the circumstances" did not instinctively lead a reader to think Parliament meant "all the circumstances other than the circumstance of the two previous offences." And why should it? Is it that the judges have found *infectious the judicial attitude* to tax avoiders and applied the same technique to the defaulting motorist? The redeeming feature is that Mr. Lambie has been given leave to appeal to the House of Lords. For the moment motorists will keep their fingers crossed—except, of *course, when driving.*

Further rise in issue of £ certificates

Financial Times Reporter

THE VOLUME of sterling certificates of deposit outstanding rose by £62m. to £1,440.8m. in June, according to figures prepared by the Bank of England.

The main expansion came in certificates with at least six months but less than a year to run, where there was an increase of £41.8m. to £470.2m.

Holdings in the secondary market (consisting largely of the Discount houses) were reduced, however, by £34m. to £201.7m. Purchases by secondary dealers totalled £100.2m. from issuing banks, and £130m. from others, while their sales came to £258.8m., and they held £24.4m. of maturities.

CONTRACTS AND TENDERS

KINGDOM OF MOROCCO

Maroc-Phosphore Project

Construction of a phosphoric acid and monoammonium phosphate plant

First phase: Invitation to prequalification

Office Chérifien des Phosphates, a State owned industrial and commercial company, intends to build a plant for the manufacture of approx. 1,000 metric tons/day P205 as phosphoric acid at 54% P205 for export, of which up to about 60% could be converted into monoammonium phosphate (MAP). This plant will also include facilities for handling and storing raw materials; facilities for handling, storing and shipping finished products, maintenance facilities, laboratories and all necessary administrative buildings. The location of the proposed work is about 10 km South of the town of Safi, next to the Maroc-Chimie plant, on a flat coastal area known as "Bord de Mer".

The purpose of this invitation is to prequalify a short list of consortia of firms, each consortium being able to take responsibility for the whole project. This is the first phase of the procedure for selecting the consortium that will execute the project. In a second phase each prequalified consortium will in due time receive the tender documents and will be invited to submit an unpriced technical proposal, together with a work programme for executing the project and with a proposal for an escalation formula. In a third phase, after clarification and technical adjustments if needed, each prequalified consortium will be invited to submit a priced offer which together with the technical proposal will be the basis for selecting the successful bidder. It is understood that different manufacturing processes will be considered.

It is intended that most of the foreign exchange cost of the project will be financed with untied funds. A loan application has been made to the World Bank (IBRD) where the project is now under study. In their constitution, the consortia will have to demonstrate their intention and ability to procure equipment, materials and services from geographically diversified sources amongst World Bank member countries and Switzerland, if that should prove necessary to enable the project to benefit fully from the advantages of untied financing as well as to achieve the lowest costs.

Firms interested in this project and wishing to receive the prequalification notice, which will be available as from August 1st 1971, are invited to apply to: M. le Directeur Général—Office Chérifien des Phosphates—305, Avenue Mohamed V—RABAT (Morocco). In order to be considered, proposals for prequalification (in French or in English) must be received at the above address not later than October 15th, 1971: a copy of each proposal must also be sent to Haldor Topsøe—Vedbaek (Denmark), appointed by Office Chérifien des Phosphates as their Technical Advisors for this project.

Subsidise companies hit by high-pay strikes—professor

BY JOHN HUNT

EMPLOYERS hit *by strikes* when they refuse to give in to "excessive" wage demands should receive financial assistance from the Government, Prof. F. W. Paish, Emeritus Professor of Economics at London University, suggests in a *pamphlet published* to-day.

He says that this might be tied in with a scheme imposing tax penalties on companies which grant big wage increases—a proposal already put forward by Prof. S. Weintraub, of the University of Pennsylvania.

"If all other measures seemed *likely to fail* it might be worth while to explore the administrative practicability of such an *approach*," he writes in a new edition of his pamphlet on incomes policy.

The professor, who had strong reservations about the Labour Government's policy on incomes, now believes that union monopoly power has become so great that some incomes policy *is necessary.*

Previous attempts to achieve such a policy were designed to prevent wage increases caused by excess demand for labour, he says. This demand had now been eliminated, and another attempt at an incomes policy would be aimed solely at *restraining the use of monopoly* power by labour.

He believes that if the annual *rise in employment incomes* could be reduced to 5 per cent. the rise in prices of consumer goods and services could be expected to settle down after a time-lag to about 2 per cent. a year.

At the end of 1969 it had seemed that the country was emerging from many years of economic difficulty, but in the last quarter of that year an unforeseen development occurred.

The annual rate of increase in employment incomes accelerated to 8.3 per cent. in the quarter, and by the second half of 1970 it had risen to 13.7 per cent.

The increase in the second half of 1970 was 10 per cent. higher than anticipated, and 8 per cent. of this figure could be *ascribed to "cost-push" inflation* "the use of monopoly power by trade unions and shop stewards."

Prof. Paish says that the Government must act rapidly to dampen inflation. By 1972 other industrial countries would have reduced demand and slowed down their rise in wage costs.

Unless there was a comparable slowing-down in Britain producers would find themselves at an increasing disadvantage in home and export markets.

"The Government has therefore probably only a few months to get the situation under control.

"A prolonged continuation of inflation at its present rate would inevitably bring a return of balance-of-payments difficulties leading ultimately to a new devaluation and a further intensification of inflation."

Rise and Fall of Incomes Policy, second edition; F. W. Paish, Institute of Economic Affairs; 60p.

Market: Mason warns on NCB hiving-off

IF BRITAIN enters the Common Market the Government must not interfere with the National Coal Board's ancillary undertakings, said Mr. Roy Mason, Labour M.P. for Barnsley and "shadow" Minister for Trade, in his constituency yesterday.

"If they did it would be tantamount to sharp practice—an anti-European act—and would rob the British miners of one of the entry benefits."

Mr. Mason said an important part of the European Coal and Steel Community treaty was that Ministerial interference was not to be countenanced in running the NCB. In other words, directives could not be given by Ministers to it.

He pointed out that under the Conservative Government's Coal Industry Act, 1971, the NCB subsidiary undertakings, which made a profit of about £12m. a year, were in jeopardy from being hived off.

Overseas News

IN BRIEF

● **NATO** allies have agreed in principle to appoint an experienced diplomat—almost certainly Signor Manlio Brosio, the retiring Secretary-General—to sound out Soviet intentions on proposals for mutual force cuts later this year.

● **SOVIET** Car sales doubled in the first six months of this year compared with the first six months of 1970, according to official figures released in Moscow. Output reached 235,000, less than half the target of 513,000 for the current year. Production overall showed an 8.5 per cent. increase.

● **ITALY** suffered a tax shortfall of more than 10 per cent., the biggest in its history, during the first six months of this year.

● **VIETCONG** guerillas killed twenty civilians and wounded 20 more when they pumped rockets and grenades into a Mekong Delta village *before dawn on* Sunday *in* the kind of terror attack military officials have predicted will be stepped up to disrupt forthcoming elections in South Vietnam.

● **SOVIET** Deputy Minister of Foreign Trade, Mr. Alexey Manzhulo is in Lagos to negotiate a new trade agreement with Nigeria

● **LIBERIA**—The body of President William Tubman was flown from London yesterday for next week's funeral. Foreign Secretary Sir Alec Douglas-Home was at Heathrow Airport to watch the guard of honour of the Brigade of Guards bear the flag-draped coffin on to an RAF air support command VC10.

● **PAKISTAN** has bought three coasters from China and is chartering 17 from the U.S. to move foodgrains to East Pakistan, according to the presidential economic adviser, Mr. Mian *Muzaffar Ahmed. The* Government had earmarked resources to buy five or six more coasters, and he hoped negotiations with Holland would start soon.

● **CEYLON** Governor-General William Gopallawa has appointed a Royal Commission to investigate the purchase of 87 diesel locomotives during the term of the previous government from Britain, West Germany and East Germany to see whether the Government suffered any loss as a result of the purchase.

Kremlin denounces futility of China-U.S. collusion

BY MICHAEL SIMMONS, EAST EUROPEAN CORRESPONDENT

THE SOVIET leadership, breaking its 10-day silence over the coming Nixon visit to Peking, fears that a special U.S.-Chinese relationship could lead to an unacceptable "political combination" against Moscow and its allies but reaffirms its willingness to co-operate "vigorously" with all countries, including the U.S. and China.

The Kremlin, airing its views through a long article in the *Party newspaper*, Pravda, adopts a predictable and uncontroversial line, broadly following the thinking of its East European partners, whose views emerged more than a week ago. "It goes without saying," the newspaper said, "that any designs to use the contacts between Peking and Washington for some 'pressure' on the Soviet Union and the states *of the socialist* community are nothing but the result of loss of touch with reality."

It maintained that "no one in the Soviet Union" saw anything sensational in U.S.-Chinese contacts, but added that "all progressive, peace-loving forces gave serious attention and vigilance to the manoeuvres of certain circles. . . ." It also draws attention to the "great gap" between American words and deeds, and once again accuses the *Chinese of "anti-Leninist"* and "splitting" attitudes.

In the same newspaper, a much more hawkish, sabre-rattling approach, Admiral Sergei Korshkov, Commander-in-Chief of the Soviet Navy, stated that this Navy was now "equipped with nuclear missile weapons capable of reaching any point on the globe." These weapons, he declared, along with strategic rocket troops, are "the main deterrent of aggressors and a reliable shield of the world socialist system.

Paving the way

He said "no strategy" would save any aggressors, including the U.S. militarists, from "a crushing retribution."

Marshal Andrei Grechko, the Soviet Defence Minister, in an order of the day for Soviet Navy Day, said, also in Pravda, that the Soviet Union *was on the alert* above all for the intrigues of the U.S. imperialists who were *continuing aggression in Indo-China*, hampering peace in the Middle East and preventing a normalisation of the situation in Europe.

President Ceausescu of Romania, thought by many to have helped pave the way for the Nixon visit to Peking, and who this week receives the heads of Government of all the European Communist countries at a Comecon meeting in Bucharest, has meanwhile warned—with characteristic tightrope artistry—that the earlier imperialist policy of ignoring the Soviet Union had completely failed, and that the policy of isolating China had similarly failed.

He told a local party meeting in South-East Romania that the West could not begin to solve *international problems without* referring to China and without this country's "rightful participation" in the United Nations. For this sort of reason there had to be closer co-operation between all Communist countries.

● Two Americans out of every three in a New Jersey opinion poll of 1,002 think President Nixon's *projected trip to Peking* is a good thing. Forty-one per cent. say China should be admitted to the UN, and 40 per cent. say no.

Libyan investment in Malta is subject of Tripoli talks

BY GODFREY GRIMA

VALLETTA, July 25.

TALKS open in Tripoli this week on plans to start direct Libyan investment in Malta in the context of negotiations for a new trade pact.

Undoubtedly Dr. *Anton* Buttgieg, the Maltese Deputy Premier, who yesterday led a six-man delegation to Tripoli—including Finance Minister Dr. Joseph Abela, the Prime Minister's private secretary Mr. Joe Camilleri, and three senior civil servants drawn from the Central Bank, the Crown Advocate General's office, and the *Ministry of Trade—will* return to Malta with a new trade pact to replace that signed by Dr. George Borg Olivier in 1967.

At the airport yesterday he was at pains to repeat that the negotiations will be directed at increasing trade orders from Libya.

But the real issue in this week's talks is the immediate need to prepare for economic, rather than purely commercial affinity. Both Governments understand that this must be achieved as early as possible if it is to have the desired effect. *On the* one hand, Prime Minister Dom Mintoff is seeking guaranteed alternative sources of revenue to face the possible departure from Malta of some European investors who are unhappy with the present political climate. On the other hand, a new economic arrangement with Malta would offer Libya the affinity it seeks with Mr. Mintoff's independent-*minded Government.*

There is some danger that interest in investing in Malta may decrease should the present row with Britain and NATO continue to be dramatised. But for the moment there is no indication that this is happening, nor that foreign investors already here are preparing to leave. The German economic study mission which came to Malta two weeks ago, particularly to look at the drydocks, arrives back to-day for further talks.

Finance

But soon the Maltese Government may find it needs at least interim financial assistance for its development if the row with Britain leads to a cut off of British aid. Libya is only too willing to oblige as long as Mr. Mintoff continues his independent line and helps Libya recruit badly needed technical expertise from friendly European countries.

This week's talks are almost certain to succeed and the first follow up could be an agreement encouraging Libyans to finance industrial ventures jointly with Maltese entrepreneurs.

On the trade front, improvements are possible now that the Libyans are ready to purchase more from Malta as long as Mr. Mintoff remains in power. During the Borg Olivier administration, the Khadaffi regime had managed to cut down orders by *almost* £500,000.

A new trade pact must also carry favourable payment conditions for Maltese exporters who want to be paid on the dot. Despite the Khedaffi regime's restrictions on foreign exchange, some £600,000 owed to the Maltese were recently allowed out of Libya on orders from the Revolutionary Command Council.

In a surprise move, the Government yesterday appointed Dr. Arvid Prado Minister Plenipotentiary to the UN. Mr. Mintoff had removed him from *his previous position as Ambassador* to the UN a week after coming to power, and only two weeks ago Dr. Prado was prevented from leaving the island because he allegedly owed the Inland Revenue £3,300 in taxes.

Dr. Prado has now gone to Geneva to take part in the deliberations of the UN Committee for the peaceful use of ocean beds.

Israeli Cabinet prepares for Sisco visit

By Our Own Correspondent

TEL AVIV, July 25.

THE Israeli Cabinet met to-day to discuss Israel's strategy in talks with the American Assistant Secretary of State, Joseph Sisco, who is due to arrive in Tel Aviv *later this week. The* Israeli Ambassador to Washington, Issac Rabin, attended the session.

Foreign Minister Abba Eban reported to the Cabinet on American-Israeli relations in the light of Washington's reluctance to supply Israel with more Phantom jets. Israeli officials claim that a failure to supply Israel with more Phantoms would be interpreted as an American attempt to improve relations with Egypt at Israel's expense.

Diplomatic sources said that the Cabinet also discussed the impact of the latest policy speech by Egyptian President Sadat. A feeling in Jerusalem was that the Egyptian President was trying to increase pressure on Washington to get Israel to soften its terms for the opening of the Suez Canal on the eve of Mr. Sisco's visit to Israel. It is felt that unless Egypt comes up with new terms, there are no prospects for the re-opening of the Suez Canal to free navigation in the near future.

Five more U.S. railways get strike notices

CLEVELAND, July 25.

THE United Transportation Union, which has already shut down four U.S. railways with selective strikes, has put five more carriers on notice that strike action will be taken against them unless a new national wage settlement is reached. The notice brings to *15 the number of railways which* have been halted or are under strike notice.

In a statement released through UTU headquarters on Saturday, union president Charles Luna said union members would "peacefully withdraw their services in pursuit of a national agreement" from the five latest carriers on August 6.

Named as targets of the latest strike action were the Chicago, Rock Island and Pacific; Chicago Milwaukee, St. Paul and Pacific; Missouri, Kansas, Texas; Baltimore and Ohio and Chesapeake and Ohio railroads.

The UTU began selectively striking railroads to back demands for a national contract settlement on July 16, with strikes against the Southern and Union Pacific Railroads. A planned strike against the *Chicago* and *North Western* Railroad was halted by Federal Court order, and a private settlement was reached with the union.

The nation's railroads then retaliated by introducing disputed work rules changes that have been the major block to a national settlement. The union promptly served two more railroads with a strike notice to protest the "unilateral" work rules changes, which Luna charged amounted to "a thinly disguised lockout."

UPI

Agreement by cocoa countries

LOME, Togo, July 25.

THE ad hoc economic committee of the Alliance of Cocoa Producing Countries has approved plans for an international cocoa fund and a draft agreement among producing countries.

No announcement was made after the committee, which had been meeting here since Tuesday, ended its session on Friday night. The committee's decision can be made public only when they have been approved by the Alliance's general assembly, due *to be held in Lagos in* September.

The International Cocoa Fund will enable the producing countries to buy back their surplus production, avoid flooding the market and thus contribute to stabilising prices, a well-informed source said.

Reuter

Egypt's GNP to double in ten years

By Our Own Correspondent

CAIRO, July 25.

PRESIDENT ANWAR SADAT presented the Arab Socialist Union Congress yesterday with a plan of action aimed at doubling Egypt's national income within 10 years. *It also provides for the* reconstruction of the rural areas over a 20-year period, by building 4m. new housing units at a cost of £E1,000m. (£1,046m.)

Mr. Sadat also proposed that there should be adequate guarantees for the private sector to fulfil its role in national development "under the people's control."

Pointing out that 3m. citizens would come of working age within the next 10 years, the President urged that industrial production should more than double over the period. He placed a target of £E4,663m. against the current estimate of £E2,123m. Fifteen per cent. of the profits from state-owned concerns should be allocated to the establishing of new industrial centres, he said.

Agriculture was set a target of £E1,600m. within 10 years against the present production of £E1,075m. Mr. Sadat gave the Government six months in which to present a detailed plan for the first five years.

War Minister General Mohamed Sadeq told the political and military committee that the next confrontation with Israel would be "entirely different." He stressed the expansion of Egypt's mechanised forces and the great improvement in the fighting efficiency of the air force (now believed to be flying the latest MiG 23 aircraft). More attention had been paid to the naval forces.

Hussein leaves for talks with Feisal on guerilla question

BY OUR OWN CORRESPONDENT

BEIRUT, July 25.

KING HUSSEIN of Jordan flew to Saudi Arabia to-day for talks with King Feisal, and will later visit several Gulf emirates as well as Teheran. A visit he had been scheduled to make on the same time had been postponed at Cairo's request, apparently because of the fighting between his army and Palestinian guerillas.

Informed sources believe Hussein's talks with Feisal at the latter's summer resort of Taif, will cover mainly the question of the commando presence in Jordan. A joint Saudi-Egyptian mediation team is already in Taif along with two guerilla leaders. The team is composed of Omar Sakkaf, Saudi Minister of State for Foreign Affairs; and Hassan Sabry al Kholy, President Sadat's special representative. The two commando leaders who went there were Khalid al Hassan, one of the leaders of Al Fatah; and Khalid Fahoum, speaker of the Palestine National Council. Kholy and Sakkaf had visited Damascus and Beirut where they held talks on the Jordanian situation.

Lebanese President, Suleiman Franjieh, was reported to have proposed holding an Arab summit conference here in Lebanon.

New mediation came at a time when the executive committee of the Palestine Liberation Organisation *(PLO)* had been meeting in Damascus to consider alternatives regarding the future of the guerilla movement in Jordan.

Marxist organisations, such as PFLP and Popular Democratic Front, were said to be pressing for a reorganisation of guerillas in secret cells to fight King Hussein and his regime. Guerilla leader Yassir Arafat was reported to be still not sold on the idea of giving up an open commando presence in Jordan altogether. On the other hand he was reported by Palestinian sources to have found it very impossible to accept a new Jordanian offer for a streamlined and limited guerilla presence on Jordanian soil.

All the main guerilla groups are now represented in the Executive Committee, the highest authority in the movement.

Under the Jordanian offer, Palestinian sources explained, "true fedayeen," or commandos, will be stationed in a strip of territory about 35 miles long and five miles wide immediately on Jordan's 1967 ceasefire line with Israel. The fedayeen must not be present on the truce line that was established between Jordan and Israel in 1948. The Government apparently insists future guerilla activity should be limited to the occupied West Bank and must not cover old Israeli territory.

Gulf states to form army

ABU DHABI, July 25.

ABU DHABI'S ruler, Sheikh Zayed bin Sultan al Nahyan, said to-day the six Gulf states which have agreed on a Union of Arab Emirates intend to take over defence and foreign *affairs responsibilities* from Britain as soon as possible.

The Abu Dhabi Ruler, expected to be named the Union's first president, was commenting in an interview with Reuter on the announcement last week by six Gulf rulers of agreement on a federal constitution for the union.

On defence, he said the Union has agreed on the establishment of a Federal army. The 1,700-strong British-officered Trucial Oman Scouts would be the nucleus of this army and the Scouts would be strengthened as required. Under the federal constitution individual states would retain their own defence forces "but these will be at the disposal of the federal army if such a need arises."

Informed sources here said the British offer of military aid together with an offer of a friendship treaty would probably be one of the subjects under review with government officials from Dubai and Abu Dhabi who arrived in London this week-end for discussions.

On foreign affairs, Sheikh Zayed said the union would apply for both Arab League and *UN membership. Diplomatic* relations would be established initially with Arab states and also with friendly non-Arab countries which were already active in the Gulf area.

Reuter

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● HANDLING

Air-powered conveyor system

. NEW approach to factory conveyor systems using compressed ir, tubes and electronic control as been developed and is in roduction by EDI of Ipswich.

EDI licensed the idea and sellig rights from Rotax, part of ie CAV-Lucas group, and carried ut development work to give ider ranges of adaptability and pplication from a single unit sting around £220 to complete stems embracing all machine ages, stores, inspection and ssembly. It is being installed existing factories, and comes at the planning stage of new ictories.

The new system has been imed EDIveyor, and gives automatic and rapid movement of mponents through tubes made f nylon, at present up to 2 inches ameter.

Specification of the tube is verned by the cross-sectional ea of the component to be ogressed, which decides bore, id by the component's length, hich decides radius of curvare in bends along the track. he pressures of air used vary cording to the air annulus tween component and tube, and ve ranged under test from 5 30 p.s.i. The amount of air ed is usually 2 second bursts r cycle, controlled by valves id by electronic sensing heads.

At the "feed" end, the tube attached to an operating valve, ntrolled and actuated by elecionic sensing heads passing gnals to a relay circuit. The nsing heads also control such tional attachments as counters control monitors and data ocessing computers.

The receiving end is attached a decelerator which delivers mponents into a hopper or the ed of automatic machines. A nsing head just before the celerator working in co-ordinaon with a sensing head just ter the valve at the other end ntrols the rate of components' ovements.

Each section of EDIveyor—id there can be one, 10, odd imbers or hundreds designed to comprehensive systems takg in whole factories—is each a complete unit consisting of the required length of tubing, one air-operated valve, two sensing heads, one decelerator and one pneumatic control panel.

The sequence of operation begins at the "feed" end where the component is automatically fed into the chute—where a cleansing process can be incorporated if so desired. It drops past the solenoid-operated air valve, which blows the component along the tube at 44 feet per second. When the component approaches the second sensing coil prior to the decelerator, the piston in the valve at the "feed" end is returned to its open position, ready to receive the next component.

The design of the EDIveyor valves reduces to a minimum any possibility of jamming by swarf or small particles; damage to a component during transfer in the comparatively soft pipeline is virtually impossible, and a great deal of design and development work has gone into deceleration without damage.

The ssytem, from one or a few conveyor "lines" to all-embracing complexes, is designed following surveys of individual factory requirements and installed by EDI engineers.

The system, designed for individual factory requirements and installed by EDI engineers, would appear to be the answer to a host of problems. For new factories with modern automated production techniques it suggests new possibilities in automatic feed and component transfer to such stages as high-speed grinders, electro-chemical machines and the emerging special-purpose automated machine tools.

For conventional factories it suggests advantages over belt conveyor systems and certainly over transporting work from machine to machine by labour in boxes with attendant loss of control of the product, cluttered floorspace, down-time on machines, bottlenecks, interrupted production flow and delays between machine and inspection.

The EDIveyor tubes run at ceiling level, freeing floor area otherwise occupied by conveyor belts or boxes. This has already been proved to give a new flexibility to machine layout.

It also provides greatly improved access over floor-mounted systems, regulated and individually controlled workflow, inspection right behind machining irrespective of location or distance of inspection from machine (there is no limit to length of tube tracks), and EDI claim that maintenance costs are markedly lower than other conveyor systems (with tubing—the only probable replacement—at 17p a foot).

Running costs are an obvious advantage, with parts and prime mover—air—in use only when pieces are in conveyance, compared with the constant wear and use of power in, say, belt conveyors.

Floating soft sheets

SHEETS of unpolymerised plastic and similar very soft and tacky materials can easily be handled and transported on a conveyor system developed by the Bertin Company, pioneers of the air cushion system applied to tracked vehicles.

The conveyor has no moving parts but consists of an array of low pressure air outlets which provide a complete series of air cushions across the conveyor face and this floats the sheet of material, without contact between it and the conveyor structure.

The company has suggested, among applications for its new system, the handling of freshly painted products as well as the handling of materials during a further period of processing.

In the latter instance, the supporting air cushion would be replaced by hot air or process gas. In this way, the sheet could be dried, cooked, cooled, polymerised or treated in many other ways.

The conveyors can be adapted in shape to suit many kinds of products and to follow the most intricate paths, incorporating electronic handling logic for the materials on the carriers. Bertin is at BP3, 78 Plaisir, France.

● COMMUNICATIONS

Powerful radiophone

A TRANSPORTABLE radiotelephone designed to give the communications power of a vehicle-borne radiotelephone but with the greater versatility of a portable set has been introduced by Ultra Electronics of Western Avenue, London, W.3.

Forming part of Ultra's "Lion" range, it weighs 7½ lb, has an RF output of 5 watts VHF or UHF, and can be supplied with up to ten communication channels. Contained in a rugged leather carrying case complete with a nickel-cadmium rechargeable battery pack, the set measures 5¼ x 7¼ x 7¼ inches and has an integral loudspeaker providing 3 watts high quality audio output.

A self-contained battery charger allows the set to operate while the battery pack is being recharged from the mains, and for use inside a vehicle the set can be connected to the vehicle aerial to give typical mobile radio performance.

Options available include a variety of selective calling facilities and provision for operation from a 12 volt vehicle battery.

Inexpensive viewer

A LOW-COST, compact, portable microfiche viewer — the 1400 — has been introduced by Datagraphix, of Deadwood Road, Windsor.

There are two models—for fiche of 24x and 42x reduction ratios—and the high resolution, non-glare acrylic screen is 9 x 11¾ inches in a choice of blue or grey colour. Together with the front surface mirrors it is housed in a moulded plastic shell measuring 18 x 15 x 16 inches.

The 1400, which weighs 17 lbs, has an extruded aluminium base to provide strength and stability and the projection lamp—of special design needing no cooling fan—and its supporting circuitry are located in a small drawer which slides out for parts replacement should this be necessary.

The machine handles a fiche size of 105mm by six inches and the fiche holder assembly consists of two glass plates mounted on ball bearing slides. The upper plate automatically opens when the holder is pulled toward the operator and closes automatically when pushed to the viewing position. The index grid is supplied separately to allow custom preparation of alpha-numeric retrieval codes.

● MACHINE TOOLS

Pact widens welding market

TWO companies, one German and one British, have reached an agreement to sell each other's products in their respective home markets.

Companies concerned are Delta Metal Electronics of Ruislip, Middlesex, and Nimak Schweissmaschinen of Cologne. Delta will sell the guns and equipment manufactured by the German company giving it an extended base that will, according to DME's managing director, eventually be expanded to include a comprehensive range of welding products for the U.K. market, including timers, guns and complete welding stations.

● MATERIALS

Extreme pressure lubricant

SULPHIDES of arsenic and antimony are said to give a lubricating material able to withstand pressures of 100,000 psi, or three times the present limit.

The materials were developed by Pennwalt Corp., Pennwalt Building, Philadelphia, Pa., U.S., in co-operation with the U.S. Navy, for use in lubricating the pivots of swing-wing aircraft.

The optimum lubricant contains both arsenic and antimony ($AsSbS_4$) and will permit reduction of the bearing surface from 20 per cent. of the total pivot weight to 9 per cent. The present fluorocarbon bearing surfaces have a pressure limit of about 30,000 psi.

The materials are said to be compatible with most metals, to reduce bearing wear, and to be miscible with existing lubricants to give extreme-pressure qualities.

Toughening the old gas mains

A METHOD of upgrading cast iron mains for the transmission of North Sea gas has been developed and tested by Winn and Coates, Denso House, Chapel Road, London, S.E.27.

It has been estimated that of the 40m. pipe joints in 100,000 miles of gas distribution mains, a substantial proportion will require upgrading during conversion to natural gas.

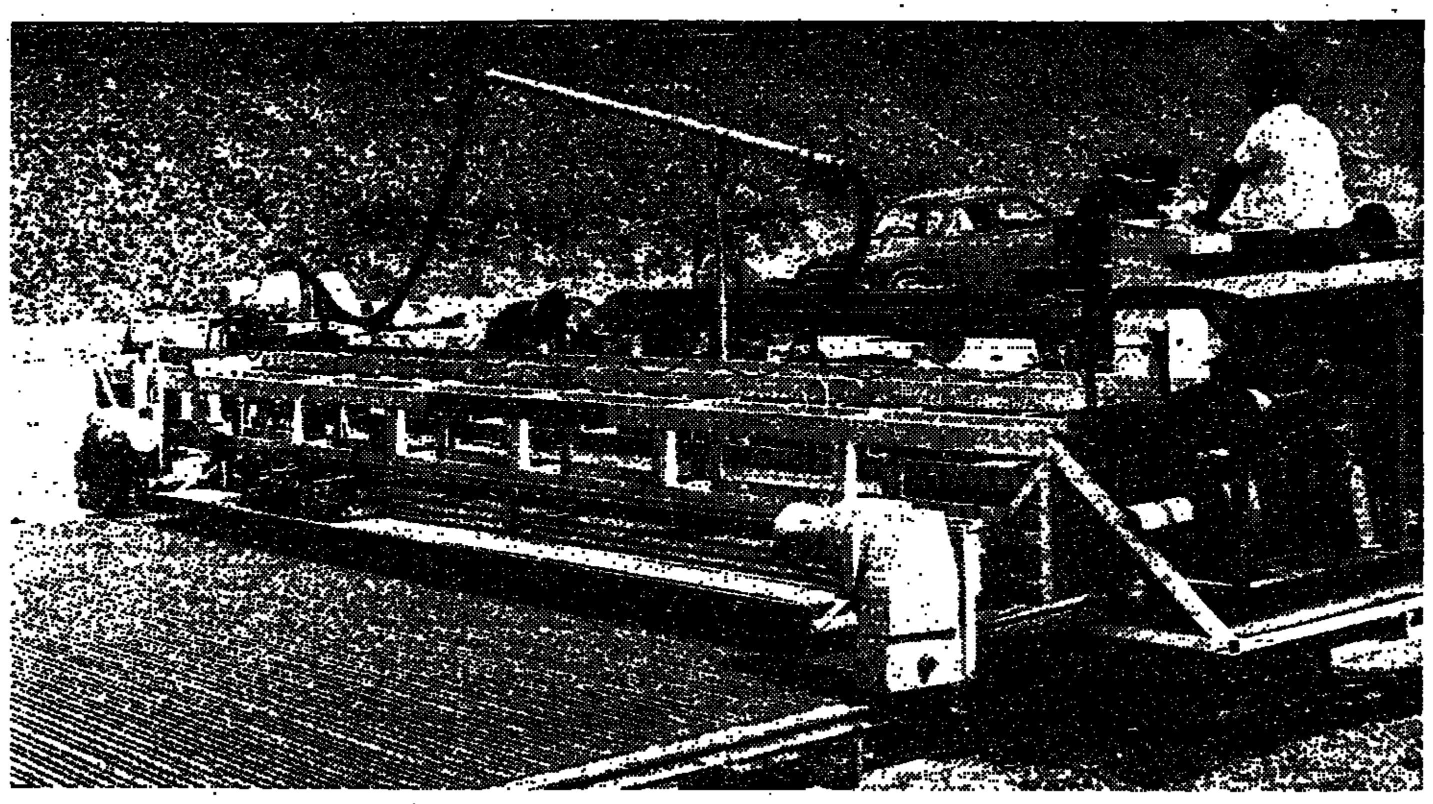
Most of the pipes which form the system were laid before the last war and in some sections in use to-day are over 100 years old. Spigot and socket joints between cast iron pipes were usually sealed by caulking with hemp and running hot lead about the joints to complete the job. The passage of moist town gas through the pipes kept the hemp in a swollen condition and this generally ensured the gas-tight seam.

With the introduction of natural gas—which is dry and is distributed at twice the pressure of moist town gas—at an average district pressure in the distribution mains of 30 millibars (or 12 in. w.g.) instead of 15 millibars (or 6 in. w.g.), the need to upgrade the old pipe joints to cope with the new dry, high pressure gas, has become vital. Once the lead/hemp joint seal becomes dry, and allowing also for the increase in pressure, the possibility of a leak increases.

The Denso-Foam system is a method of sealing leaks based on the principle of *in situ* foaming of polyurethane. This firmly encapsulates a joint previously sealed with Denso tape and is a fast and economical method of upgrading joints. Its advantages include cold application, ability to withstand damage during back filling, first class corrosion resistance and resistance to gas pressures up to at least 25 in. w.g., eliminating the need for metal leak clamps on low pressure mains and thus saving a great deal of time and money.

● CONSTRUCTION

Grooving to order



A prototype grooving machine, shown on the left, is being used to texture an experimental 5,000-foot section of concrete carriageway under construction for the M20 Ditton By-pass in Kent. The machine, developed by the Cement and Concrete Association, is being manufactured and marketed under licence by Errut Products, Jubilee Close, Townsend Lane, London, N.W.9.

The machine forms part of the conventional concreting train, and produces a deep texture in the plastic concrete by means of a beam vibrating at varying frequency and amplitude moving transversely across the surface.

Deeply ridged texture produced by the machine is expected to have a high degree of skidding resistance, a considerably longer life than that of a wire-brushed texture under heavy traffic conditions, and, due to random spacing of the grooves, to avoid tyre noise of a definite frequency or pitch.

The M20 Ditton By-pass, to be opened in 1972, has 6.5 miles of dual 36-foot unreinforced concrete carriageway with a 13-foot central reservation and 10-foot-wide hard shoulders. The carriageway is being laid by a SGME paving train.

Following the agreement between Errut and C and CA, the Department of the Environment has joined with both Errut and the Association in the design and development of a machine for cutting grooves in existing concrete surfaces.

This latest machine is a further development of the flail cutting principal already employed on Errut equipment, and is to be designed to restore the skidding resistance of worn concrete economically and at a minimum daily output of 1,600 square yards. Because of the low cost of the system and the high performance of the machine, it is expected to be of considerable interest to councils, airport authorities, and others responsible for pavement maintenance.

● By agreement between the Financial Times and the BBC information from The Technical Page is available for use by the Corporation's External Services as source material for its overseas broadcasts.

● RESEARCH

Studies of rope loads

ROPES subjected to sudden stress by rapidly applied loads may fail at breaking strengths considerably below those indicated by conventional static load tests. Loss in strength may be up to 25 per cent. under these conditions and is generally unaffected by the type of fibre used in the rope or its construction.

This and other data derived from research work at the National Engineering Laboratory into the physical properties of ropes exposed to dynamic loading has widespread implications for industrial users of ropes for lifting or restraining loads.

At present rope specifications for safety lines, lifting slings, mooring ropes and similar applications are invariably based on the static breaking strength of the material. The sudden snatch loading to which these ropes may be exposed in use could cause premature failure, according to the findings in an interim progress report in this study of rope behaviour.

Test facilities are available for industry at NEL, East Kilbride, Glasgow, where the extension and breaking strength of ropes under dynamic loading can be determined after pre-conditioning at controlled temperature and humidity.

Expanding microscope power

A PRINCIPLE which is essential in the use of one kind of electron microscope has been redeployed to make another kind of electron microscope much more versatile.

If a surface is to be examined in what is called a transmission microscope a thin replica has to be made of this surface. Electron beams are passed through the replica to form the required image on the other side. Another type of instrument known as a scanning microscope can be brought to bear on an original surface and does not need to work on a replica.

But only objects of limited size be fitted into a scanning microscope. If a research worker is interested in a particular spot on a large body (a piece of bulky machinery for example) he has to remove a small specimen from the body and draw his inferences from that.

Now replication is being used to get over the problem. This new application of an established principle is being developed at Sira Institute under the sponsorship of a group of electron microscope users. With the help of a recently perfected technique Sira Institute is making true copies of surfaces for examination by scanning electron microscopy. So now it is possible to observe, over long periods of time, changes at particular spots on surfaces inaccessible to the microscope. This facility will bring great advantages to the materials technologist.

Sira is at South Hill, Chislehurst, Kent. BR7 5EA.

● DATA PROCESSING

Programming at home

A COMPLETE home-study course on computer programming has been developed by the Bureau of Information Science. This course consists of 18 books written in the form of programmed instruction texts, together with two text books for further reading. The course deals mainly with machine-code programming, computer arithmetic, Boolean algebra and the general design of computers; sub-routines and the use of special languages for computer programming — ALGOL AND COBOL.

There are 26 lessons in all, each with a follow up test, and lesson sheets giving extra notes and additional reading. A systems analysis course will follow.

BIS is at 37-39 London End, Beaconsfield, Bucks.

A mini for the U.K.

ALLIED Business Systems has negotiated an exclusive franchise for the U.K. on a minicomputer called the GRI 909. It has a new architecture and is claimed to be the first function-orientated computer.

The benefits to the user include low cost, reliability in the temperature range 0-50 Centigrade, small size and easy expansion.

It can be used in process control, stand alone business systems, function monitoring and peripheral control. The machine is exceptionally easy to program and it is claimed that any competent engineer, or anyone familiar with business systems will be able to use it.

Compilers are available for FORTRAN, BASIC, BASE, and the mnemonic easy-to-use machine level language FAST. The basic cabinet can accommodate 8K of memory, 16 I/O slots and three major function "operators." These represent customer-designated logic instructions. Expansion cabinets are available for larger configurations.

Several hundred machines are already installed in the U.S. and Continental Europe.

Computer Field Maintenance is being given responsibility for the supervision of the machines. Allied Business Systems is at 29 Maddox Street, London, W.1.

Cassette data tape system

THE FIRST PRODUCT to be announced by the recently formed Computer Electronics, of London Road, Kingston, Surrey, is the cassette communication terminal 4800.

Designed to receive and transmit data over standard communication networks at speeds up to 4,800 bauds, it is claimed to be the only system of its kind announced to date to meet fully the standard recording format of the European Computer Manufacturers Association.

Incorporating an Ampex TMC deck, the system can also be provided with a number of optional interfaces for minicomputers such as the Nova series, PDP series, and Honeywell 16 series, thereby enabling it to be "latched" straight into existing hardware.

Two versions of the system are available, one desk mounted, about the size of a portable typewriter incorporating one cassette transport, the other a 19-inch rack mounted cabinet that may be fitted with one or two transports. Both versions contain all the read-write logic for the recording and recovery of 800 bits per inch phase encoded formats which is far in excess, say the company, of any earlier systems.

● PLASTICS

Resins will resist fire

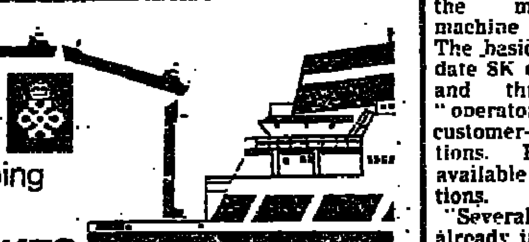
EARLY criticisms of glass reinforced plastic, especially in motor car applications, were based mainly on the fire risk if a vehicle were to be involved in a collision.

Although there seems to be little concrete evidence about the relative merits of steel or GRP bodyshells in such a situation, nevertheless one or two cases where plastics did in fact contribute to the seriousness of accidents has led to a demand for resins that will give fire-retardant properties.

In response to this demand, Scott-Badger, Wollaston, Wellingborough, Northants, has introduced two polyester resins for GRP lamination to cope with self-extinguishing requirements on finished products.

First of these products, Crystic 345PA, is a low-cost resin formulated for contact moulding applications. It uses an inbuilt accelerator, together with an inert filling, which together give it the properties to enable a laminate made with it to obtain a Class I spread of flame rating according to BS476: Part 1: 1953 Section 2. There is enough hold to make it suitable for use with chopped strand glass mat on vertical or inclined surfaces. Since the accelerator is added before dispatch, all that is needed is the addition of a catalyst to start the reaction.

On the other hand, Crystic 385 is a high-performance product, combining the advantages of fire resistance with high translucency. It is claimed that laminates with a light transmittance of up to 80 per cent. can be made using it. According to the manufacturer it is light stabilised, is thixotropic, has excellent wetting properties, and has an elongation strength almost as good as the glass reinforcement that it is used with.



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Building and Civil Engineering

Plastics cladding on Stevenage block

UNUSUAL cladding has been specified for a £1.2m. office block to be put up at Stevenage, Herts. Glassfibre reinforced plastic cladding panels with pre-glazed glass infills are to be hung on the eight-storey building being erected for the *Manufacturers* Life Insurance Company in St. George's Way.

This form of exterior cladding was chosen for its good weather*ing qualities and because* a waiver on the appropriate Building Regulations regarding fire resistance has just recently been obtained.

Designed by Gollins Melvin Ward and Partners, the structure will be light stone coloured with bronze glass windows. Y. J. Lovell (Southern) is the main *contractor and the GRP composite* panels are being manufactured and supplied by William Old Resiform.

With a gross floor area of 8,080 square metres, the building will have single-storey projections at ground level. Included among the facilities planned for the ground floor is a staff restaurant, and three passenger lifts *will* serve the six upper floors. The top floor comprises plant rooms.

The building will have a reinforced concrete frame with asbestos clad steel mullions to the perimeter.

A feature of the sandwich panels is that they not only comprise exterior and interior leaves, but also include casing for the perimeter air-conditioning induction units. About 850 of these units will be used.

The structural engineers are Clarke Nicholls and Marcel, electrical and mechanical consultants are Rybka Smith and Ginsler.

Lifting by suction

A VACUUM lifting unit with a safe working load of 500kg for handling loads such as steels, non-ferrous metals, plastic, wood, and stone has been introduced by Demag of Banbury, Oxfordshire. Known as the Autovac 5, it can be used in conjunction with hoists, cranes or stackers, and lifts by means of self-produced vacuum adhesion.

As the head is raised a piston moves in a cylinder to produce a vacuum inside a rubber suction pad placed on the surface of the load.

Visual indications of both vacuum and load are provided to prevent overloading of the equipment.

The suction pad is articulated to enable the load to be lifted even if sloped at up to 15 degrees. The equipment can additionally be supplied with a vacuum pump with a capacity of 3 cubic metres per hour for lifting loads with rough surfaces.

An advantage of the system is that loads are treated gently by virtue of the soft rubber sealing ring and the air damping between *the system and the load.*

Road and factory for Mowlem

OVE ARUP AND PARTNERS, consulting engineers, have recommended that the £6m. contract to build the Gateshead Western By-pass be awarded to Mowlem, which is currently completing Gateshead's £2½m. A1 viaduct.

While a starting date for the by-pass has not yet been decided there are obvious advantages in starting it immediately the *viaduct is finished as both con*sulting engineers and contractor will still be on site.

The two projects are about four miles apart and do not link up. The five-mile-long Western By-pass will skirt Team Valley, cross the River Derwent on a new bridge and link with the existing new Scotswood Bridge over the Tyne.

Earlier this year the Department of the Environment announced a grant towards the scheme to the joint clients Gateshead County Borough Council *and Durham County Council.*

E. Thomas and Co.—a Mowlem company—is building a £750,000 factory near Estover, Plymouth for Arrow Electric Switches, of Southall. Arrow is moving out from West London under a GLC overspill scheme.

In order to finish within a year, the Conder *(Kingsworthy) dry* envelope system is being used in the erection of the two-storey office block. Robin Design and Construction is the project *manager co-ordinating* consultancy services.

Briquetting plant project

C-E Cast Equipment, division of Combustion Engineering, Cleveland, Ohio, U.S., has announced the signing of an agreement to manufacture its briquetting presses in England.

Fielding and Platt, Atlas Works, Gloucester, England, is the manufacturer. This group has wide experience in building equipment for the scrap industry. Fielding and Platt will be building the complete line of briquetting presses and is preparing to manufacture in anticipation of several orders pending in England and on the Continent.

One of the models to be manufactured by Fielding and Platt *will be the CL-200. This machine* has an estimated capacity of about 1½ tons per hour, depending upon material.

Briquette sizes range from 2¾ to 3¼ inches in diameter. The Model BL-350 Ton Press can produce briquettes of cast iron at the rate of approximately 7,000 pounds per hour and will be powered by two 75-HP motors. Briquette sizes range from 4 inches diameter to 6 inches diameter.

All of these presses are designed to briquette such materials as steel turnings, aluminium, brass, titanium and stainless chips, as well as cast iron borings, into high density briquettes.

Laing sets up U.S. company

TO sell licences of its proprietary building systems and products in North America, John Laing has set up a company in the U.S. called Laing Construction Services Inc.

Such products as the Laingwall office building system, and Fair*crete, a new method of making* concrete finishes, are included among those to be marketed by Mr. Alan M. Nicol, a chartered civil engineer, who has been appointed president of the new company.

With offices at 60, Washington Avenue, Stamford, Connecticut, Mr. Nicol, until recently responsible for the marketing department of the Laing Building Division, and a former member of the Secretary of State for the Environment's Advisory Committee on the Building Regulations, will also promote the company's services to American concerns for use in Europe.

O'Neill Enterprises of Char*lottesville, Virginia,* granted a licence for the Laingwall precast system last October, has already used the system on a number of office developments.

On the housing side, the French Sectra system of *in situ* tunnel forming which Laing has used in the U.K. to build thousands of homes, is already being successfully promoted by Noonan-Laing Inc.—a joint company formed last year between Laing and R. S. Noonan of York, Pennsylvania.

Trentham office projects

THREE office developments totalling £540,000 have been awarded to G. Percy Trentham of Pangbourne, near Reading, for schemes at Bury, Lancs., Waterlooville, Hants. and Slough, Bucks.

For Mount St. Bernard (Northern Properties), a five-storey office block of some 30,000 sq. ft. is to be put up at Bury under a £210,000 order.

Designed by James T. Ratcliffe, the building will have an *in situ* reinforced concrete frame supported *on piled foundations,* with mainly brick cladding. An existing basement is being retained and converted to form a car park.

Early next month a start is to *be made on four-storey office* and shops block at Waterlooville for David Baker and Co. The "L" shaped building, costing £191,000, will measure 172 feet by 90 feet. Also of reinforced concrete frame construction, the block will be clad in precast concrete mullions and infill panels.

At Slough, *a four-storey* rectangular office block of some 13,000 sq. ft. is being erected for Alliance Insurance Company. Designed by Daniel Watney Eiloart Inman and Nunn, the structure will be clad with glass reinforced plastic and polyurethane infill panels.

Relocatable classrooms save space

FIRST of Essex Stonecraft's Secometric relocatable 2-storey classroom units, designed to provide additional classroom space at schools where ground is *limited, has been supplied to the* London Borough of Waltham Forest.

With four separate classrooms on a ground area of only 72 by 24 feet, the "Spacesaver" as it is called, has been erected at Newport Junior School, Leyton, London, E.10.

The system permits several arrangements of classrooms and workshops, and when fitted with toilet facilities the units are completely self-contained. At Leyton, the unit was erected on the playground and was ready for use within 13 weeks from access to the site.

*Included with the four class*rooms are a staircase, blackboards, cloak space, storage areas, fluorescent lighting and off-peak electric storage heaters.

Birmingham road scheme to McAlpine

ON behalf of Birmingham City Council, Warwickshire County Council has placed a £1.3m. order with Sir Alfred McAlpine and Son for the construction of the Chelmsley Wood Collector road at Castle Bromwich, Birmingham.

The job calls for four miles of 24 feet dual carriageway, a farm underpass, one pedestrian subway and three retaining walls.

Imperial Chemical Industries has awarded a £100,000 contract to the company for building and civil engineering works and various access roads, drainage works and a weigh-bridge pit, for the centralised *bulk filling* installation at ICI's Rocksavage Works, Runcorn, Cheshire.

Conditioning BP

ENVIRONMENTAL control sys*tems are to* be installed at the Sunbury and Harlow establishments of British Petroleum under two contracts together valued at £600,000 placed with Matthew Hall Mechanical Services.

Worth £457,000 the main job includes the installation of air conditioning, electrical and fire protection services in phase 2 of BP's office development just outside Harlow New Town, Essex. Trollope and Colls is the main *contractor for this development* which includes offices, workshops and a services building.

Open-plan offices contained in Block D will be fully air conditioned by an induction plant of 15,500 cfm with four zone re-heaters, and a dual duct system of 32,700 cfm capacity for the internal zone. The basement will have a ventilating plant of 7,500 cfm capacity. Matthew Hall's contract also covers the provision of full electrical services for the *whole building.*

The services building will be equipped with a centrifugal refrigeration machine of 200 ton capacity, and two cooling towers are to be installed to cover existing needs and those of both phases 2 and 3 of the development. Rated at 180,000 gph *condensed water,* the towers will be fed by a pair of 20 inch diameter, 300 feet long, underground site mains.

The workshops are to be provided with a system of [illegible] pressure hot water heating via natural convectors and unit heaters. Provision of hot and *cold water and electrical services* in these areas is also included.

The second order, worth £92,000, covers air conditioning and associated electrical systems in BP's Building 44 at Sunbury-on-Thames which is being converted from research laboratories into a computer suite by W. and C. French (Construction). The latest orders put the total value of contracts placed to date by BP with Matthew Hall at over £1.5[illegible]. Architects are Wilson Mason and Partners and consulting engineers are G. H. Buckle and Partners.

Layout design for Shell-BP

BRITISH office space planners have completed an assignment for Shell-BP Petroleum Develop*ment Company of Nigeria during* which they drew up plans for layouts of both open-plan and cellular areas for the 14 floors of Freeman House which overlooks the Marina at Lagos.

A consultant from the firm, Space Planning Services, of Raeburn House, Northolt Road, South Harrow, Middlesex, flew to *Nigeria* to carry out the assignment.

In co-operation with Shell-BP specialists and its own consultants on the spot, SPS analysed the functions and communications patterns that would obtain throughout the building once it is completed.

This provided the information necessary for a layout that would serve the needs of the occupants efficiently and economically. The first three floors of the building *are devoted to car parking.*

Taller precast chimneys

REDUCTIONS of up to 20 per cent. in erection times for pre-cast chimneys are possible with a corresponding reduction in costs by the use of a system available from A. N. Building Components.

A novel post tensioning system which increases stack height and reduces diameter of the chimney has been adopted by the company.

Much of the current requirement is for higher chimneys as that concern for the dangers of pollution is mounting. The "*Anda*" *chimney,* with almost unlimited height potential, is of interest, not only to builders, but also to public health engineers.

The erection costs are reduced by a specially designed counter-balanced erection rig which climbs the chimney.

A wide range of shapes is available, including circular, rectangular, octagonal and eliptical sections, in a variety of finishes. Supplied with a draught ace system, lightning conductor, ladder, soot door, draft stabiliser and black cap as standard, the new chimneys are said to be suitable for all industrial applications.

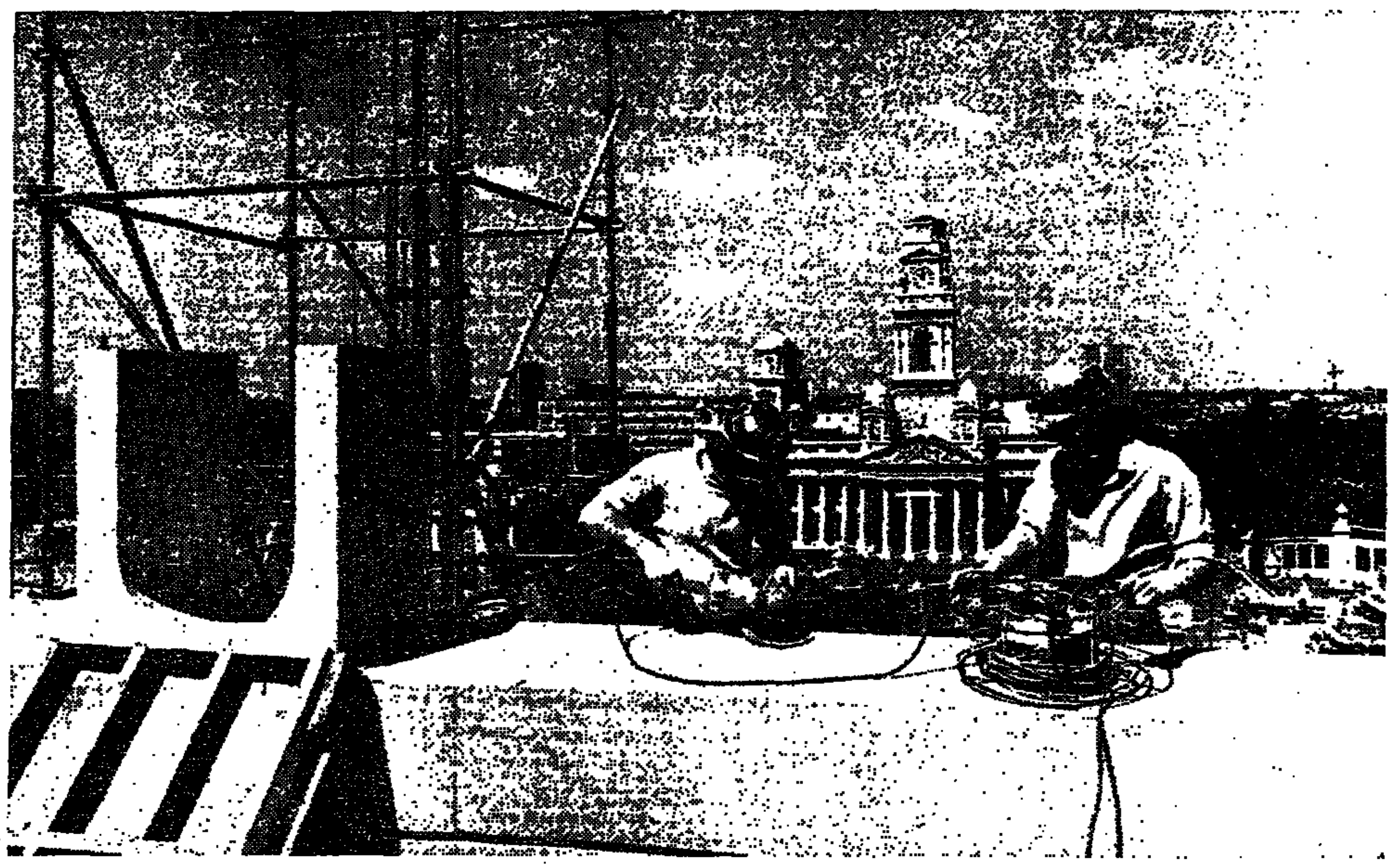
The company's address is [illegible] Windsor Street, Chertsey, Surrey.

Leeds block for Wimpey

WORK has recently started on the construction of a 16-storey office block called Albion House in Albion Street, Leeds, for C[illegible] and Provincial Developments.

A £773,000 contract awarded to George Wimpey and Co., calls for a 16-storey building comprising a 3-storey podium measuring 53 by 20 metres containing shops and offices, above which a 13-storey tower will rise.

Designed by Scott Brownrigg and Turner, the building will have a reinforced concrete frame with precast concrete cladding. In the basement car parking *space will be provided for* [illegible] cars.



Men at work on the roof of a 7-storey building which represents the first phase of the City of Portsmouth's £14m. city centre scheme. The historic Portsmouth Guildhall is seen in the background. Topping out of the block is to take place on Thursday when the Lord Mayor of Portsmouth, Councillor A. D. Darby, J.P., will place the last batch of concrete on the roof.

Costain Construction is building a T-shaped complex of offices and shops, comprising one 3-storey and a 7-storey block, under a £750,000 negotiated contract awarded by Chaucer Estates (Portsmouth). Architects for this phase are Richard Leggatt Partnership and the structural engineers are Stephen Revesz Associates. The overall scheme was designed by Lord Esher.

Space-frame roof study

SPACE-FRAME roofs suitable for sports grounds and exhibition structures are to be studied at a new laboratory being erected at Surrey University, Guildford, by the University and the British Steel Corporation.

The tubular steel space-frame, which measures 100-feet by 100-feet by 21-feet high, has been given to the University by the BSC.

Main feature of the frame is a new joint, called Nodus, which simplifies construction by enabling assembly to be carried out *with stainless steel* pins rather than with the use of site welding.

Professor Z. S. Makowski, head of civil engineering at Surrey, is in charge of the studies. A *specially devised computer-de*sign programme is available to architects and consulting engineers to provide "a virtual do-it-yourself system by eliminating *costly design work and simplify*ing the problem of fabrication."

Zinc paint protects at high heat

CORROSION protection is provided at temperatures up to *400° centigrade by zinc-dust* based pigments incorporating a binder called Dynasil, made by Dynamit Nobel AG, Troisdorf, W. Germany.

Pigments formulated in this way are intended principally for industrial use, are no impediment to welding and can be applied by brush or by spray. They may be used as a single coat finish or as an undercoat.

Plastics to protect cabling

POLYPROPYLENE greased-strand cables for rock anchors used on part of a split-level carriageway on the Clevedon Hills section of the M5 motorway *in Somerset, being built by John* Laing Construction, were supplied by Johnson and Nephew (Steels).

As the motorway's route is *through steeply sloping ground,* an extensive crib wall was called for to support the lower of the split-level carriageways.

The polypropylene greased prestressing *strands,* used because of their resistance to corrosion, were embedded in epoxy resin anchorages at 5 feet intervals along the base of the wall, to a depth of up to 70 feet into the *rock.*

Each of the anchors has a working load of about 60 tons, but all were tested to 90 tons. Four mobile drilling rigs were used by Cementation Ground Engineering, which was responsible for the installation of the anchors.

Several jobs for Bovis

PHASE 2 of the industrial water treatment plant at Avonmouth is to be carried out by the Farr Division of Bovis under a £580,000 order placed by Bristol City Council.

This phase will take water from the adjoining trunk sewerage works and purify it to an adequate standard for industrial use in the new Severn-side factory complex. The plant will double capacity to 10m. gallons per day.

Farr has also been awarded a further contract by Conoco/NCB to complete the foundations of the oil terminal at Mablethorpe on the Lincolnshire coast. The Division completed preliminary earthworks under a previous £140,000 contract. This latest contract brings the value of Farr's work at Mablethorpe to £320,000.

Another company in the Bovis Group, Gilbert Ash, has been awarded a £500,000 contract to build a 10-storey office block in Newcastle for the Metropolitan Estate and Property Corporation.

Wharf for aggregate

*SELBY Wharfage and Warehous*ing, an associated Company in the Consolidated Gold Fields Group, *has agreed to the acquisi*tion by Amalgamated Roadstone Corporation of the use of part of new wharf facilities on the river Ouse at Selby, Yorkshire, together with a substantial bulk storage area.

This is to be used for the distribution of aggregate to the Midlands and north of England.

The river frontage has been *dredged to provide* a 15 foot draught passage for vessels at high tide. In addition, new foundations and bollards for the timber topped wharf (120 feet *long by 30 feet wide) have been* built.

Vessels up to 600 tons will be accepted initially at the new wharf, although it is anticipated that *vessels of up to 800 tons* maximum will be accommodated ultimately.

Laing gets Leicester offices job

A 5-storey civic offices block for Leicester Corporation is to be built under a £650,000 contract awarded to John Laing Construction.

Around 74,000 square feet of accommodation will be provided by the 300-foot long building. *Work is starting this month on* roadworks and services improvements, and building work should begin on the office block in September, with completion *scheduled for January, 1973.*

Construction will be of *in situ* reinforced concrete frame with precast concrete spandrel panels and aluminium window panels as cladding.

Features of the building include the use of tinted glass to prevent glare and minimise heat gain and the installation of movable partitions to enable the internal shape of offices to be altered easily.

When the building is handed *over. Leicester Corporation* will bring together a number of its departments at present situated in offices throughout the city.

Danger, diggers at work

THE problem of alerting fast-moving mechanical excavator operators to the presence of below-ground cables and pipe*lines is overcome* by a vividly coloured heavy-gauge polyethylene tape offered by the Hepworth Group of Hazlehead, Stocksbridge, Sheffield.

Laid six to nine inches below surface level, this is immediately visible when disturbed. It is designed to take the place of *warning cover tiles or bricks* which are more expensive to lay and have less immediate impact.

The six inch wide tape, colour-coded and with wording identifying the hidden service or utility, is available in rolls of 1,250 feet.

Glamorgan factory enlarged

EXTENSIONS to the 3M Com*pany's existing pressure sensitive* tape plant at Gorseinon, Glamorgan, are to be undertaken by Taylor Woodrow Construction under a £350,000 contract.

Design work for the project, due to be finished by next April, is being handled by 3M's engineering group with assistance from W. S. Atkins and Partners.

A *two-storey production build*ing with mezzanine floor will be constructed, together with a single-storey warehouse with internal loading docks and a *single-storey ancillary* building, to provide a total additional floor area of 4,000 square metres.

The buildings are of steel-framed construction based on reinforced concrete foundations. Engineering services will include mechanical, electrical and sprinkler installations.

Foundations for brewery

HEAVY foundation work for Carlsberg's brewery at Northampton is to be undertaken by Kier which has just received a £950,000 contract to start work immediately on the 3-acre site.

The site lies on the banks of the River Nene and the ground is mostly of poor bearing quality consisting of silt, sand and gravel.

Heavy reinforced concrete structures extending to 30 feet below ground level will be installed, involving the pouring of 30,000 cubic yards of concrete. A *deep basement measuring* 160 feet square will be built inside a permanent sheet-piled cofferdam.

Slab foundations used to cover the remainder of the site will be supported on bored in situ concrete piles at 12 feet centres.

When completed, the new brewery will produce 1m. hectolitres (20m. gallons) of lager per annum. Consulting engineers for the project are Ove Arup and Partners, and George Wimpey and Co. is the managing agent.

Dowsett Engineering Construction is the nominated bored piling sub-contractor.

First news of these plans was *released about a year ago by the* Carlsberg organisation. It is now estimated that the total cost of the structure and the brewing equipment will be around the £15m. mark.

A Danish architect, Knud Munk, of Copenhagen is in charge of the overall project design work.

Kier is also starting a multi-storey car park for the Stevenage Development Corporation. Worth £700,000, the order is for a *seven-level building with space* for 1,000 cars.

The ground floor area has been leased to the Stevenage UDC for an indoor market to replace the *existing outdoor stalls.* Accommodation for around 120 traders will be provided.

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Holding down prices

SOME PROGRESS may have been made towards reducing the average size of wage settlements, but there is no sign yet of any pause in the upward movement of retail prices. The year-on-year increase in the cost-of-living index was about 11 per cent. during the first quarter of 1971. It jumped to just under 9½ per cent. in April and to 9.8 per cent. in May. In June it now turns out to have moved into double figures with a rise of 10.3 per cent. The attempt to halt inflation has so far not succeeded.

Since June, of course, positive action has been taken to get prices under control. Selective Employment Tax has been halved, purchase tax has been reduced all round, and the Confederation of British Industry has introduced its scheme for holding prices where possible and limiting inevitable increases to 5 per cent. The marking-down of prices in the shops is a welcome sight which may have a valuable psychological effect, but it is worth stressing that the direct consequences of what has been done are likely to be small in relation to the rate at which prices are now rising.

CBI scheme

The effect of the CBI scheme is more difficult to predict. If all members, including the nationalised industries, fall in with it, their restraint will affect about one-third of the index of retail prices. But one cannot tell at this stage how strictly, on the one hand, they will interpret the rules proposed by the CBI and to what extent, on the other, they will exert pressure on their suppliers to follow their own example. The inclusion of the nationalised industries in the scheme may help to undermine the system of financial controls built up over the years, but it is also true that these have been responsible for some of the steepest price increases recently. The price of fuel and light, for example, has risen by 11.1 per cent. over the past year and the price of postal and telephone services by no less than 27.8 per cent. It is also encouraging that food manufacturers have agreed to follow the CBI line wherever possible since food, which is much the largest single component of the cost-of-living index, has been going up in price, rather faster than the average—by 10.9 per cent., year-on-year, in May against an average of 9.8 per cent.

Food bill

But here, too, it is worth stressing the limitations of voluntary restraint. In the first place, food manufacturers are more dependent than most on raw materials whose prices fluctuate sharply according to conditions in the world market. In the second place, it is not manufactured foodstuffs which have been rising in price most sharply. The steepest rises over the past year have been in meat, dairy products and eggs, which together account for nearly half the total weight of the food price index.

And food is not the only item of importance in the average family budget which falls outside the CBI proposals. Housing, for example, one of the most important items after food, has risen roughly in line with the cost-of-living over the past year. But rates (which form part of its cost) have risen much faster—by 14.3 per cent.—and are likely to continue doing so, and the price of housing itself will rise faster next year when the Government begins to implement its new scheme. The cost of public and private transport has risen by 12.8 per cent. over the past year and may well continue to beat the average; the same is true of the cost of services in general. All in all, it would be prudent to look for only a moderate and gradual advance against inflation as a result of the latest measures. But even that would be an improvement.

EEC's farm policy dilemma

FOUR months ago, after a classic marathon negotiation, the Six adopted a programme for making the Common Market's agriculture industry more efficient, by giving structural subsidies to young farmers who want to modernise, and early pensions to older farmers who don't. It was recognised that the programme would take time to have its effects, but it was widely regarded as an important step forward. But last week's inconclusive meeting of the six Agriculture Ministers underlined the fact that the central dilemma of the common agricultural policy remains its system of common prices.

It is likely to remain the central dilemma for several years. If the structural modernisation programme maintains the exodus from the country to the town at its present rate, the Community's farming industry could be relatively efficient by 1980, and prices would no longer be a serious political and social problem.

Hostility

In the meantime, however, average farm incomes are continuing to decline in real terms, and the decline is being accentuated both by inflation and by the Commission's efforts to prevent the sort of price increases which would add to the Community's surpluses. For the 1971-72 season the Six approved increases ranging from 1 per cent. for maize to 6 per cent. for beef, and for next year the Commission is proposing increases which are, on average, rather smaller, from 1.3 per cent. for rye to 7.3 per cent. (over two years) for beef. With inflation of over 5 per cent. in most Common Market countries, these proposals have aroused the hostility of the farmers, and those Brussels representatives have demanded increases of 2½-13½ per cent. and President Pompidou has described them as "aberrant."

For the moment, the problem has been postponed until September, when the six Agriculture Ministers will hold a special private meeting near Rome. But there is no reason to suppose that it will have become any easier by then, and in one respect it could become more difficult with every month that passes.

The U.K. (and Denmark) have a strong interest in preventing any undue increase in Community prices, and though formal British participation in the Council of Ministers cannot start until 1973, the Six have already undertaken to consult London on relevant issues in the period before membership. Just when consultation will begin and how it will operate are still undecided, but there is no doubt that the Commission for one is very much alive to British views on the price issue.

Yet the essence of the dilemma is that no price level can be satisfactory both for the rich farmers in the Ile de France and the smallholders in Brittany. Equally no system of common prices based on gold can look anything but precarious at a time when the international monetary system is in such a state of uncertainty. But while it is doubtful if the Six will be prepared to abandon their doctrinal adherence to the notion of common prices, they may well come under increasing pressure to admit exceptions to the general rule.

German subsidies

When the Deutschemark was revalued in 1969, there was a corresponding drop in the prices paid in D-Mark terms to German farmers, and the German Government had to compensate them with producer subsidies. These subsidies are still being paid, but already another D-Mark revaluation is in sight.

Producer subsidies have been permitted under the common agricultural policy in the past—for olive oil producers and orange growers in Italy, for wheat producers in Germany and Luxembourg—and the Commission's structural reform scheme includes "income supplements" for farmers who undertake modernisation programmes. Generalised deficiency payments on the British pattern are inappropriate for a farm sector of the Common Market's size, but it seems probable that the Community will in future have to admit an increasing number of exceptions to the general principle that farmers must get all their income from the market.

To-day's moonshot may be the penultimate one in the Apollo programme.

Michael Donne discusses current thinking in U.S. space circles . . .

Manned spaceflight: why NASA has lowered its sights

THE U.S. to-day plans to launch its most ambitious mission yet in the series of manned landings on the moon—Apollo 15, crewed by David R. Scott (commander), James B. Irwin (lunar module pilot), and Alfred M. Worden (command module pilot). This mission seems likely to generate considerable public interest, if only in the light of possible difficulties — the chances of which in all spaceflight ventures were recently highlighted by the deaths of the three Soviet cosmonauts in Soyuz 11.

It was partly to allay such fears that the U.S. National Aeronautics and Space Administration last week announced that it had conducted a major review of its safety measures. As a result, it was able to reconfirm "the high confidence" it had in the Apollo equipment and procedures, although it did make one change, requiring the Apollo 15 astronauts to wear their pressure suits during a critical lunar orbit manoeuvre, when they jettison the lunar module. If there were any faults in the sealing between the main craft and the lunar module, that would be the moment they would appear—putting the astronauts lives at stake.

Only two more

Interest in Apollo 15 may also well stem from the fact that the "moonwalks" planned during the mission will be the longest and most complex yet. But it could also be stimulated by the knowledge that the Apollo programme as a whole is now nearing its end. After Apollo 15, only two more manned missions to the moon are planned—number 16 early next year and 17 next summer, but it is possible that some time this autumn, depending upon the results of Apollo 15, a decision may be taken to drop one of them.

The reason is quite simply financial, coupled with the view, increasingly expressed by Congressmen and other public figures, that spending on space ought now to be channelled into more directly useful ventures. The recent troubles with the Soviet manned spaceflight programme have encouraged this lobby to become more vociferous, but there is no reason to believe that the U.S. spaceflight planners are deterred on these grounds.

They have recognised that while it would be pleasant to be able to go on sending men and machines to the moon, making longer and more ambitious explorations there, the cash will no longer permit it. As it is, if the following two Apollo missions are kept intact, the whole Apollo programme since its inception will have cost $25,500m., or more than half of the total spending of over $46,000m. by the U.S. on space research since the inception of NASA in the late 1950s.

Growing Congressional disenchantment with space spending has been reflected in the progressive cutbacks in the space budget. From a peak of $5,250m. in fiscal 1965, spending has been pared annually until in the current financial year it is running at just over $3,000m.—still a great deal of money, but not sufficient to keep all of NASA's grandiose programmes and ambitions fed.

The impact has been felt throughout industry in the U.S. The number of persons employed on space projects has dropped from a peak of 420,000 in 1966 to around 125,000 now; and the technological teams from industry, government and universities that created Apollo are already breaking up.

This has resulted in some changes of view inside NASA. The emphasis is now more on the immediately useful and practical applications of space technology, but within the limits of its reduced budget NASA is still trying to preserve some semblance of a manned spaceflight programme beyond the end of Apollo. Even here, though, the spaceflight planners have been obliged to lower their sights, and there is no longer talk—as there was when Apollo (and funding) were at their peak—of eventual long-term manned missions to Mars.

From now on, the objectives in manned spaceflight will be focused on near-earth orbital activities, such as the Skylab and the more distant (in time) space station and space "shuttle" projects, with deep-space activities confined to unmanned probes of various kinds. Even the latter, while still in some cases very ambitious, will be fewer in number than the more immediately useful range of earth-orbital satellites for a wide variety of scientific and other tasks — earth resources monitoring, meteorological research and weather forecasting, and communications, for example — and those satellites launched as part of international co-operative programmes.

NASA has also been at pains in recent months to publicise its work, and the "benefits of space," more directly. It is significant that emphasis is now being placed on some of the purely aeronautical aspects of NASA's work (long smothered under the weight of publicity for pure space activities), with work on new types of wing and on quieter and cleaner engines particularly stressed.

On the space side, emphasis is laid on the benefits stemming from "earth resources monitoring"—two full-scale satellites in this programme are due for launch in 1972 and 1973—and on more remote activities such as anti-smog research and corn-blight studies by high-altitude aircraft. NASA also stresses some of the advances in medicine that have emerged from spaceflight developments.

Nevertheless, $3,000m.-plus is still (by European space standards) a lot of money and NASA is attempting, under its new Administrator, Dr. James C. Fletcher, to establish as wide a programme of space activities as possible, although it is recognised that it will not be able to indulge in every aspect of this ever-widening field. Among the various unmanned deep-space probes planned for the next few years is the $700m.-$850m. Project Viking plans to land instruments on Mars in 1975 (following Mariner 9 now en route and due to arrive this November, circle the planet for some months and send back close-up TV pictures and scientific data).

The $105m. Pioneer F and G unmanned spacecraft are due to be launched in 1972 and 1973 on two-year missions to the outer planets, penetrating the "asteroid belt" and reconnoitring the planet Jupiter. This will be preparatory to a projected—but financially uncertain — unmanned spacecraft "grand tour" of the planets, Jupiter, Saturn, Uranus, Neptune and Pluto planned for the late 1970s. This project has been under budgetary attack. Before then, in 1973, the $120m. Mariner Venus-Mercury spacecraft will be launched to conduct the first close-up investigation of Mercury after a close fly-past of Venus. Also planned is a series of scientific spacecraft to Venus in the Planetary Explorer series.

But for manned spaceflight immediately after Apollo, NASA is concentrating on Skylab, due for launch in late 1972 or early 1973—a small earth-orbiting "workshop" space station to which three teams of three astronauts will be sent for missions of between 28 to 56 days. This $2,000m. programme will yield more information about the effects of prolonged spaceflight on men, and should go a long way towards enabling the U.S. to catch up with the Soviet Union—which, despite the Soyuz 11 disaster, is still out in front in the techniques of manned earth-orbital space stations. This is especially so since it now seems from preliminary studies that the deaths of the three Soyuz cosmonauts may have been due not to faults in the spacecraft but to their own failure to close a hatch properly.

Following Skylab, the whole long-term future of U.S. manned spaceflight activities is being concentrated upon the more ambitious and complex space station and space "shuttle" programmes. The greatest emphasis is being placed on the "shuttle," which would be a major programme in its own right, with a very wide range of tasks, such as the deployment of unmanned spacecraft, satellite repair and retrieval, space rescue, and short duration earth-orbital scientific missions. Thus, it is looming very large in NASA's thinking, for it is seen as providing the basis for virtually all eventual U.S. manned spaceflight activities.

Co-operation with Europe

It is in connection with the space "shuttle" plan that the U.S. has been showing most interest in getting co-operation with Western Europe, largely for help with funding but also in order to ensure that its manned space flight ambitions are not entirely based on narrow national considerations.

The European role, however, is still not clear. This is partly because the U.S. itself has not been able adequately to define its technical and financial proposals (nor has it had them approved by Congress), so that there are no clear-cut areas in which the European countries can participate, and partly because those European nations who are members of the European Space Conference are still divided as to how to co-ordinate and finance any eventual participation in U.S. manned spaceflight programmes.

Until these matters are clarified—and at the present rate of progress this could take some time—European participation in the space "shuttle" is confined to piecemeal collaboration between individual companies. Both the British Aircraft Corporation and Hawker Siddeley are working with the U.S. industrial teams involved in the NASA studies, while in Europe several companies are involved in parallel studies on a "space tug" for the European Launcher Development Organisation.

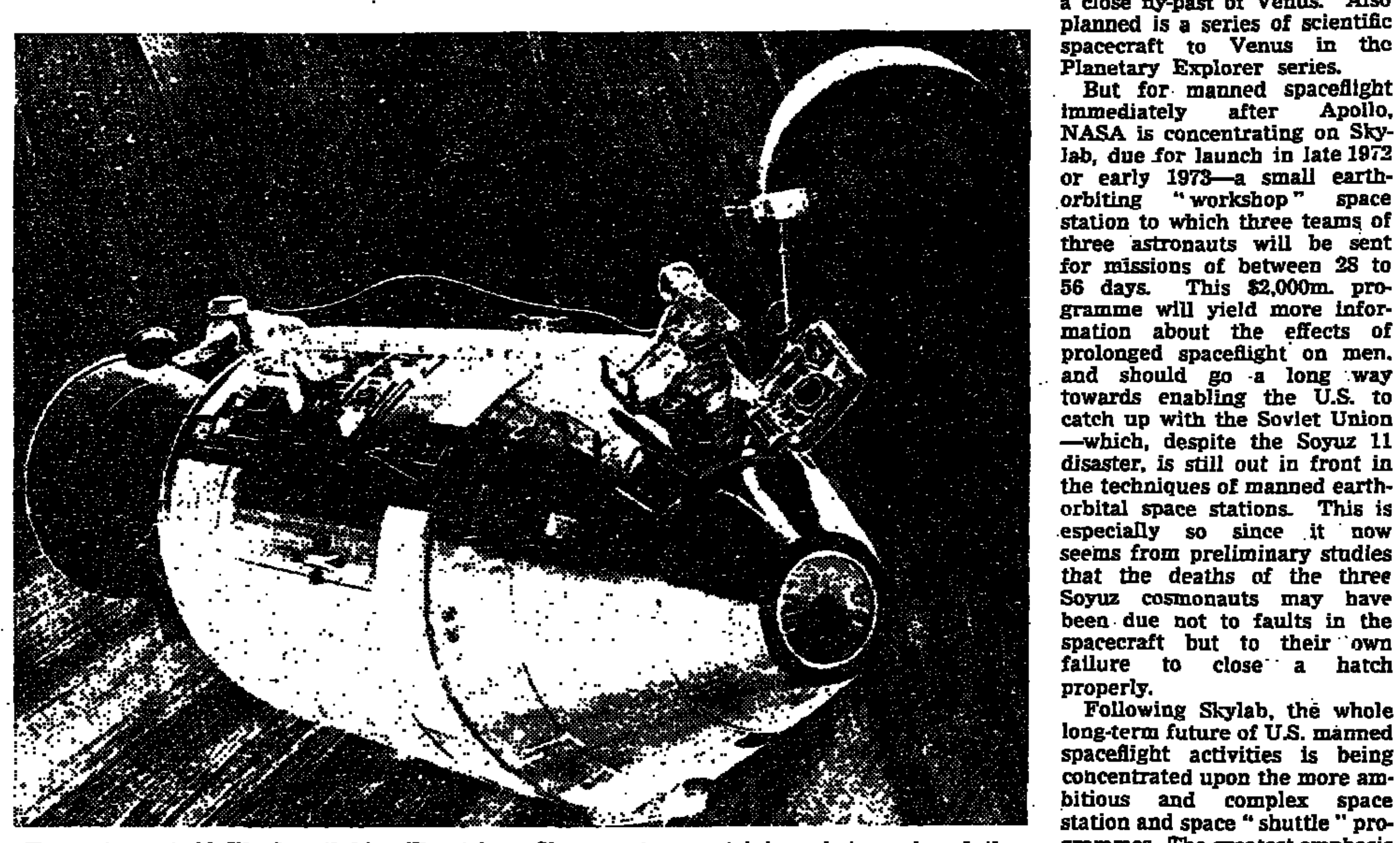
Discussions with USSR

Another significant aspect of current U.S. space thinking is the emphasis being given to co-operation with the Soviet Union. Already a number of discussions have been held, and an agreement reached on collaboration in such fields as the development of compatible rendezvous and docking systems and procedures, radio guidance and communications.

There have been suggestions that, eventually, it might be possible to have joint U.S.-Soviet manned space missions, but this must be considered a long way off.

This is the background to to-day's Apollo launch. The astronauts will land in the Hadley-Apennines area on Friday. Scott and Irwin will spend in all 67 hours on the surface of the moon, the longest yet, and they will go farther on its surface than ever before, with the aid of a "moon buggy." They will drill for samples, scale the lips of craters in the foothills of the 14,000-feet Apennine range, and investigate the curious feature known as the "Hadley Rille," a gorge in the moon's surface rather like that cut in the earth by a meandering river. They will carry a new portable TV camera that they will leave behind, so that viewers on earth will be able to see lift-off from the moon for the first time.

Finally, before leaving the moon's orbit for their return flight to earth, the astronauts will put into moon orbit a small, 80 lbs sub-satellite that will send back scientific data for up to a year. If all the risks are overcome, the technical achievements of Apollo 15 will be immense, and in the view of the spaceflight planners will more than justify the money spent upon it, despite the chorus of criticism.



How astronaut Al Worden (left) will retrieve film cassettes containing photographs of the lunar surface on the homeward leg of the Apollo 15 mission. This will be man's first "walk" in deep space.

MEN AND MATTERS

What Spey means to Brighton

How will the break-up of the Spey empire affect its most glamorous project, the Brighton Marina? On the face of it, Spey's problems could not have come at a worse time. Financing of the £30m. project—intended to be the biggest marina in Europe, possibly the biggest under single ownership in the world—is still not completed. The project has anyway had a a troubled history. Originated by a local businessman, Mr. Henry Cohen, the marina was due to start building in about 1966. But there has been much opposition from local residents, and two Acts of Parliament have had to be passed. Work finally started, on contractors' access roads, only in January. In the meantime, the marina's parent company, Allied Land, was bought in 1969 by Spey Westmoreland, owned one-third by Spey and one-third by Mr. Bobby Marmor's Westmoreland Investments.

However, the marina's chairman, Mr. David Evans, expects that the financing will be sorted out "within a few days." He hopes to sign up five pension funds or institutions (an ironic touch, in view of the pension funds' involvement in Spey) each with an equal stake.

Evans points out that Spey Westmoreland's stake in the project has anyway been declining. An original 74 per cent. in the marina company has been diluted down to 44 per cent., and would go down to about 15 per cent. if the pension funds come in. So whether or not Spey sells its stake in Spey Westmoreland back to Westmoreland (negotiations on this await Marmor's return from holiday) may not make much difference.

Another reason for Evans' confidence is that the next largest shareholder in Spey Westmoreland is Phoenix Assurance. Evans is a director of Phoenix, so there should be stability there. The marina should now be ready, he says, in 1974.

Europe in tune

Harmonisation between European countries is being extended from economic and political matters to, appropriately enough, music. The Council of Europe has recommended that the initial tuning frequency be standardised across its 17 member countries. It points out that "the pitch employed has varied considerably since Mozart's day, and is not the same at the Paris Opera as at Covent Garden or La Scala," and that "the unchecked rise in initial tuning frequencies is a grave threat to Europe's musical heritage." This is because vocal chords, unlike instruments, cannot be tuned upwards, and violins, for example, might not stand the extra tension on their strings. Radio listeners may now be spared the pain of hearing a Beethoven symphony in two different keys.

Lonrho's man for the ODA

To give effect to its policy of increasing private investment in developing countries, as a complement to official aid, the Government has appointed Colonel W. H. L. Gordon, a man with over 20 years' business experience of Africa and extensive war experience of it before that, as "adviser on private investment" to the Overseas Development Administration.

After retiring from the regular army in 1949, after 15 years in it, Gordon spent 11 years with the Uganda Company, one of the oldest Africa companies, where he was chief executive. "The big thing we did was the planting programme—tea and coffee. We became one of the biggest tea producers in East Africa." Gordon was also on the Uganda Legislative Council for five years.

Then in 1960 he went as managing director to another of the old Africa companies, John Holt and Co. (Liverpool) which traded in West Africa. Holt was taken over by Lonrho, and Gordon became managing director of Lonrho Exports—a job he retired from a few months ago, at 57.

His new job covers all developing countries, not just Africa, and means that he has had to hand over running his own family company to someone else. "But if you have lived all your life in the third world, you cannot refuse a job like this."

A question of managerial style

There could hardly be a greater physical, social, temperamental or business contrast than that between Mr. Michael Pickard and Sir Charles Forte—a contrast that has just led to Pickard's dismissal as managing director of Trust Houses Forte, on the insistence of the Forte directors on the joint Board. At 38, Pickard is a big (6 foot 5 inch) man, heavily built, urbane, very much the professional manager who had risen young to a position of corporate power, but without substantial shareholdings. Forte, dapper and in his sixties, is Italian-born, a classic entrepreneurial figure who built up his own business empire from scratch, starting with one milk-bar in Regent Street in 1935.

Pickard was head boy at Oundle, qualified as an accountant in the City, did National Service in Cyprus as an intelligence officer, joined Lombard Banking setting up credit finance companies abroad, then went to the Melbray group (printing, catering, engineering) becoming general manager. Sir Charles Hardie then brought him across to the British Printing Corporation as finance director. His speciality is management accounting systems—detailed financial budgets and forecasts carefully compiled and answered for. His work on such a system at BPC led Crowther to ask him to join Trust Houses as managing director.

Forte, on the other hand, for long ran a highly personal business. By the outbreak of the war he had nine snack bars, bought the Criterion soon after the war, later the Cafe Royal, the Waldorf, the George V in Paris . . . and so on. After flotation, his company survived a lean period, emerging with a more recognisable management structure. But Forte is still the heart of the empire he built, and it is hard to change the independent habits of a lifetime.

Critics always said that the merger between Trust Houses and Forte was an odd one that could not work. For long they seemed to be mistaken.

Drive on

A man whom even his best friends agreed to be as blind as a bat passed his driving test. How, they asked incredulously, did you pass the sight test? "Well," he said, "the examiner asked me if I could tell him the number of a car he was pointing at, and so I told him. It was my own car."

Observer

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BIRMINGHAM

FINANCIAL TIMES SURVEY

A thousand trades, but not enough

By JOE RENNISON

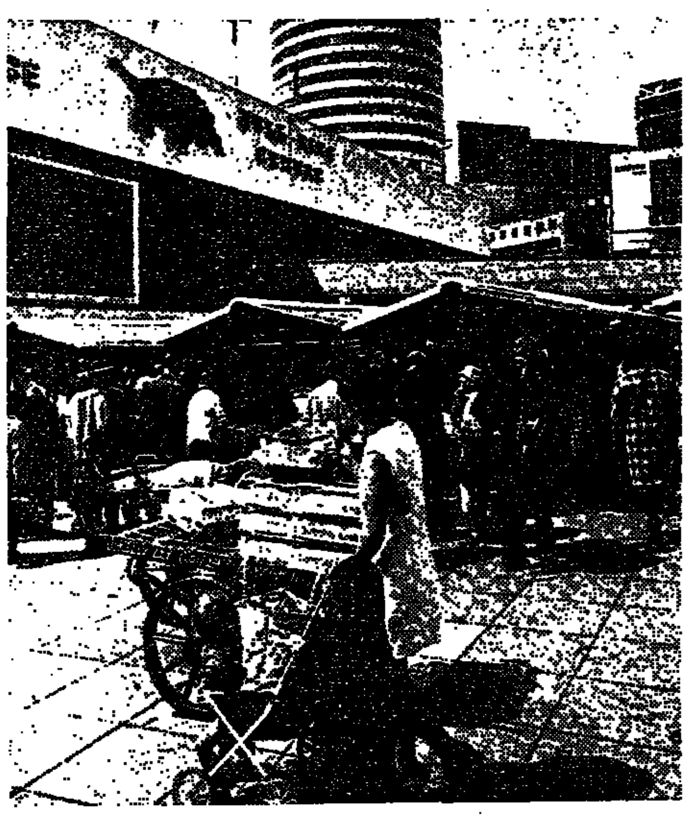
If Britain's second city needed a theme song it could well choose the Hippopotamus Song:

Mud, mud, glorious mud
Nothing quite like it for cooling the blood.

Birmingham has been wallowing in prosperity for a generation: at least until now. The mud is beginning to thin just a little at the moment and the subsequent rise in temperature is causing a great howl of protest. In a city where it is the size of the dividend that counts any possible prospect of a diminution in income is viewed with grave concern. At least there will be no complaints now that the real mud of reconstruction is also beginning to disappear.

Birmingham's *raison d'etre* is the making of money. The city's population and prosperity have been built on waves of immigrants who have been attracted there to do just that. And they have not been disappointed. The city has been, and is now, very prosperous but it is beginning to have serious doubts about its long-term future prosperity. The "city of a thousand trades" feels hamstrung: the thousand trades are no longer enough. It is not just the unemployment produced by the present national mini-recession that worries Birmingham but its competitive position relative to the rest of the country.

A note of warning for the whole of the West Midlands region was sounded earlier this year in a report by a working party of the West Midlands Economic Planning Council. The report pointed out that the West Midlands share of new technology growth industries such as chemicals, instruments, radio and electronic appliances is, with the exception of plastics, only 0.5 per cent. and urges policy changes that would encourage new industry as an insurance against technological obsolescence. Introducing the report Mr. Andrew Cadbury, chairman of the working party, said that unless action was taken there would be a progressive deterioration in the competitive position of West Midlands industry.



The Bull Ring Centre

Birmingham, as capital of the region, feels this threat particularly. The Government's Industrial Development Certificate policy designed to encourage industry to move from the region to development areas is coming under increasingly strong criticism in the city. The Chamber of Commerce, representing Birmingham's industry, is particularly incensed at this threat of stagnation. A recent survey conducted by the Chamber showed that a surprisingly high number of firms who wanted to expand were playing possum in case the application for an IDC brought them to the Government's attention and the inevitable suggestion that they should build their extra capacity in one of the development areas.

Problem centre

Mr. Raymond King, the Chamber's President, does not mince his words in pleading for Birmingham's future. "The companies who were the backbone of our prosperity have found themselves pushed out. This has not been for them a success financially. Unless the distribution of industry is braked a little Birmingham will become a problem centre in keeping people employed. Forget the image of Birmingham. We are a large industrial city and we have to live. If you destroy Birmingham you destroy the country. If Birmingham does not expand then the development areas do not expand."

Metals, vehicles, foundrywork, mechanical and electrical engineering are the bread and butter of this city. Birmingham could probably make better use of any individual piece of metal and in a greater variety of ways than any other city in the world, but although metals technology is advancing there are now more ways of making a plate than bashing a piece of copper or tin or steel. But Birmingham is being denied the chance to experiment. This is a problem only central Government can solve. It will, of course, be very difficult, not to say impossible, for the people in the development areas of Scotland, the North and Wales to feel sorry for Brummagem men weeping all the way to the bank. But to argue that there are a lot of people a lot worse off is to miss the whole point. To coin a phrase, what is good for Birmingham is good for Britain. If Birmingham (and London) is feeling the squeeze then the development areas must be in a pretty parlous state.

It is like the argument of a healthy export market depending on a healthy home demand. If the development areas can for this purpose be looked upon as the export market then they will not prosper unless the established prosperous manufacturing centres such as Birmingham can experiment, expand and sell the goods they want to make where they will.

Birmingham's industry is not matching its otherwise expansionist mood. The city has been preparing itself for a great future. Physically at least it has been pulling itself into shape as a regional capital and a European city of some importance. Probably no city in Britain has seen such a radical change in the face it presents to the world. All over the city—and it is particularly noticeable in the centre—the new has overtaken the old. The centre has virtually been a heart transplant. New shops, offices and roads have transformed Birmingham into a model of twentieth-century living. And it has been built with the city's pride and joy, the motor car, very much in mind.

The new inner ring road, a 3¾-mile dual carriageway encircling the shopping and business areas, is a monument to the internal combustion engine. Birmingham is not a very convenient or pleasant place for the pedestrian but when there is the facility of modern roads in and around the city presumably no one minds. (The recent suggestion that the inner ring road could be used as a racing circuit seems to me superfluous—to the outsider it seems as though it already is.)

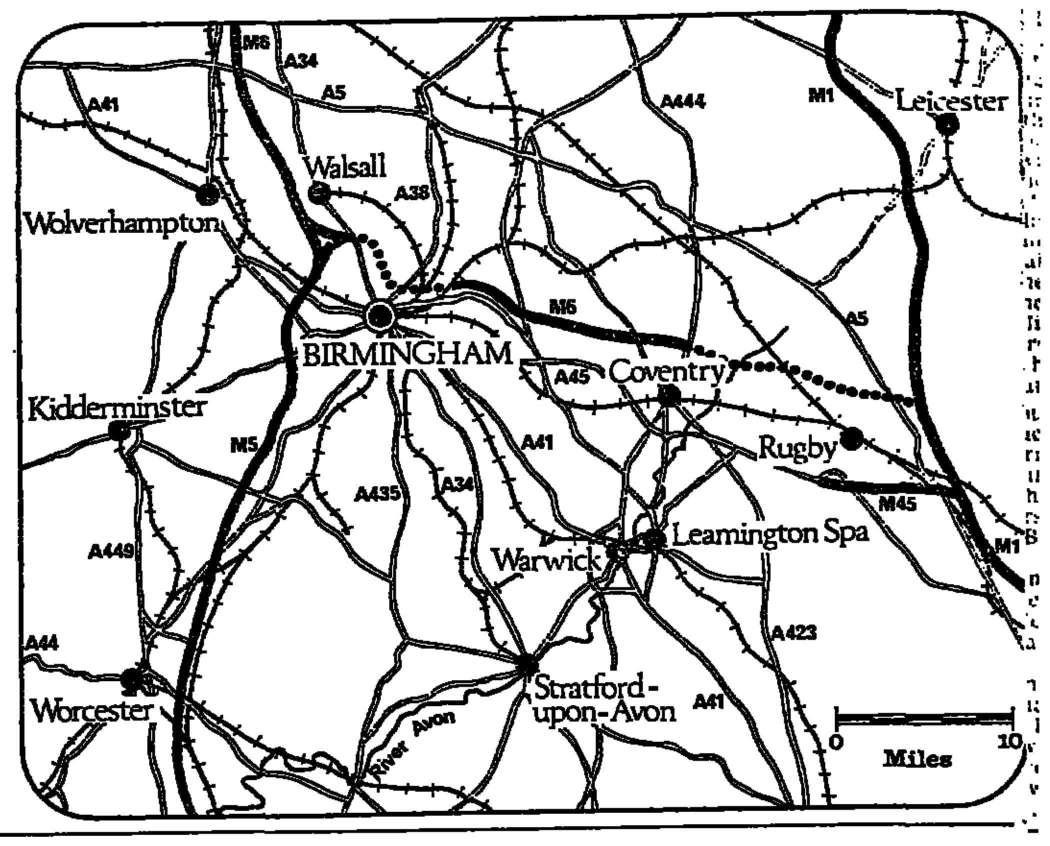
Eccentric charm

On the housing, social, cultural and environmental fronts the city has "leapt" ahead. All it needs now is a soul. Among the bland exteriors of the glass-and-concrete palaces of commerce such old buildings as the Town Hall, the Cathedral and the art gallery take on an eccentric charm that was surely not there before.

The city has everything in its favour. It is still one of the best places in England to set up business—if one is allowed to. With the completion of the motorway system it is literally at the crossroads of Britain. Its rail, air and freight facilit[ies] are equally impressive. In t[he] arts and entertainment field, [it] is gaining a new sophisticati[on.] It is fit and ready to expand [its] role as a regional capital. T[he] very real mud that the la[st] generation has been wallowi[ng] in is gradually disappearing a[nd] the new city is almost rea[dy] for its inhabitants.

To cap it all—and to ga[in] greater prominence internati[on]ally — Birmingham now [is] planning to make itself a sho[w] place for the world's goo[ds.] There is a need for a natio[nal] showplace and Birmingham [is] making its bid to house it. T[he] inquiry into the proposal end[ed] a month ago. If the applicati[on] is successful it will [be] one more reason for the c[ity] to spruce itself up in terms [of] entertainment and hotel a[nd] recreational facilities. It m[ay] also provide some of the pri[de] that is necessary to give B[ir]mingham and its people [a] more identifiable national a[nd] international stamp.

Birmingham's present st[ate] was put to me by one lo[cal] businessman in this w[ay:] "Things are just coming ri[ght] now—the houses, the roads, t[he] offices, the new cinemas a[nd] theatres. It has been a lo[ng] time, but now we can sit b[ack] and enjoy the place." The n[ew] city is a brave, not to [say] blatant, demonstration of [the] city's past prosperity. The n[ext] generation will benefit fr[om] the physical inconvenien[ce] suffered by the last. It wo[uld] be a pity if it could not [be] equally confident of [its] material prosperity.



BIRMINGHAM II

Changes in the arts scene

By ANTHONY EVERITT

Birmingham has long been the home of the respectable virtues. A pioneer of industry and local government in the nineteenth century, it did not entirely forget culture. But the city fathers tended to regard it as a worthy civic obligation, which contributed to the education and moral improvement of the lower orders.

The legislation which brought the Birmingham and Midland Institute into being in 1854 stated that its object was to promote the "Diffusion and Advancement of Science, Literature and Art among all classes of persons resident in Birmingham and the Midland counties." The City Art Gallery opened in 1867 as an extension to the Free Public Library and was eventually housed in an inconvenient but grandiosely designed temple of art.

The summer exhibitions of the Royal Birmingham Society of Artists represented the established standards of taste and in its heyday was second only to the Royal Academy. Lord Leighton and Alma-Tadema were among its presidents. Long queues formed on opening day such as are now only seen outside department stores at the beginning of a sale.

Nowadays, these institutions have a slightly old-fashioned air and they have found it difficult to come to terms with the demands of this century. The Birmingham and Midland Institute is currently attempting to rationalise its finances and curb the expenses of a large cultural activities programme.

Hamstrung by an old and inadequate building, and a tiny purchase grant, the Art Gallery is just emerging from a crisis that made national headlines. Works of art were found to be deteriorating at such a rate that a leading restorer wrote: "I could not advise a private collector to loan his pictures to you. They would be in danger." As the gallery possesses one of the most distinguished collections of pre-Raphaelite paintings in the world, and is also strong in 18th-century English and 17th-century baroque art, this was a serious matter.

New equipment

However, a conservation department has now been founded, humidifying equipment installed and five out of the 16 galleries have been closed for redecoration and reconstruction. All's well that ends well.

The City of Birmingham Symphony Orchestra is another familiar feature of the cultural scene that has been in the doldrums. It is largely reliant on subsidies from local government sources, which do not always keep pace with escalating costs.

The Town Hall is the city's only venue for concerts and acoustically is far from perfect. A new concert hall has been promised from time to time since 1924, but nothing definite has yet transpired.

In other ways, though, things are looking up. Louis Fremaux, the conductor in chief, is completing his second season, attendances are rising, gramophone records have been published and the orchestra is establishing a strong claim to being one of the best outside London, rivalling the Royal Liverpool Philharmonic and perhaps outstripping the Hallé.

In the last ten years a new generation of institutions has to some extent taken over the running from the old. They have profited from the building bonanza that has transformed Birmingham from a Victorian Coketown into a plate-glass showpiece.

The Midlands Arts Centre was established in 1961 "to encourage young people to enjoy and practise the arts and crafts." Studio workshops, exhibition areas, a small theatre, music rooms and an open-air arena have all been completed. Building work in hand includes an athletics wing and a major auditorium for theatre, ballet and opera. It is one of the most ambitious projects of its kind in Europe.

In many ways the venture has been a great success and it has proved that fund-raising need not be an insurmountable obstacle; £500,000 has been collected from private sources alone.

However, it has been argued that too little effort is made to encourage working class children from Birmingham's twilight zones to play a full part in the life of the centre and that those who are least in need of its services, profit most from them.

Since it opened last autumn, the Poetry Centre has been an important influence on literature in the Midlands. Members give poetry readings in pubs, hospitals and schools. The Centre's quarterly magazine, *Muse*, has attracted nationwide attention.

Jazz, pop and rock can be heard in the clubs and frequent concerts are mounted. The Ian Campbell Folk Group is centred in Birmingham and Campbell plans to launch the National Folk Company of Great Britain, in an attempt to give folk music the same status as it possesses in other European countries.

A few long-established organisations are moving to new premises and in the process giving their reputations a face-lift. The old Repertory Theatre, founded by Barry Jackson, has closed its doors for the last time. The company will reopen in the autumn in a magnificent new theatre.

Perhaps the move will help the "Rep" to regain some of the prestige it has lost to the Nottingham Playhouse and to build up its audience strength again. This would certainly be well deserved, for under the direction of Peter Dews, the standard of productions has been remarkably high and a number of plays have been transferred to London and America, notably *Hadrian VII*.

In 1965, the morning and evening newspapers, The Birmingham Post and the Evening Mail moved into new premises, which have become one of the architectural landmarks of the city. Both newspapers rank, in their different ways, in the forefront of provincial journalism.

ATV now serves the Midlands from its recently constructed studio complex in the city centre. The building was also to have housed a theatre and a cinema but these plans have been abandoned, because it has not been possible to find any tenants. It will, however, include shopping precincts, offices, a restaurant and a pub.

As far as television production is concerned, the increased facilities have allowed greater scope for regional programmes. Also, religious and educational broadcasting has been expanded.

The BBC, previously scattered in various parts of Birmingham, is now accommodated in a single custom-built radio and television centre. For the first time, all the different departments are under one roof. Radio Birmingham has been on the air for the past few months and there is to be a greatly increased emphasis on television drama.

The intention is not simply to produce plays farmed out from London. "Locally originated material should provide an outlet and an opportunity for non-metropolitan talent," David Rose, head of English Regional Drama, Television, told me. "An important part of my function is to discover and nourish this talent."

In the last two years, social and artistic undercurrents opposed to or critical of the establishment, have come into existence. The Birmingham Arts Laboratory was formed in 1968 by a few breakaway members of the Midlands Arts Centre. Beginning as a pale imitation of the London "pop" underground, it has gradually acquired a characater of its own.

Free University

Meanwhile, the Free University has been quietly providing a substitute for higher education. The teacher/student relationship has been abolished and the curriculum is not defined in advance, but emerges from discussion among those taking part. Courses range from ecology to black culture.

The university has proved to be the starting point for various movements which have, in the course of time, become independent bodies in their own right, one example being the Birmingham Women's Liberation Front.

All the signs go to show that the old order is changing. The ground is shifting beneath the imposing edefice of the traditional arts. However, these are early days, and a crack in the plaster is not necessarily a sign of imminent collapse of the main structure.

Development pace-setter

By a Correspondent

The newest city centre in Britain, a rehousing drive more akin to a municipal blitzkreig, and the sheer immensity of the post-war redevelopment—Birmingham's muscular expansion is probably without parallel anywhere in Europe.

Looking at a night-time city skyline that would be equally at home in Los Angeles, Brummies may concede that other cities will eventually catch up, but in their hearts they rather doubt it.

The centre had been inadequate for many years when war broke out—the idea of an Inner Ring Road had first been mooted in 1918—but some premature demolition work by the Luftwaffe gave the plans an added impetus: Councillor Harold Edwards, chairman of the public works committee, puts the start of the redevelopment at the time the first German bombs fell.

Now the end is in sight: with the £32.5m., 3¾ mile Inner Ring Road open the last big project is the cultural complex at Paradise Circus, where work is already in progress. But now a further scheme is being considered: a Middle Ring Road that will replace the old Inner Circle.

The £8m. Bull Ring Centre, opened in 1964, forms a vortex for the central redevelopment, around which the Inner Ring runs. The road itself—the largest single city centre development, it involved the acquisition of over 1,500 property interests and the redevelopment of 80 acres—provides a through route for the A38, as well as a perimeter for the inner heart of the city.

The city has set up a committee to see if part of the road can be used as a "Grand Prix" motor racing circuit: the scheme's main champion is Mr. Martin Hone, managing director of a local night club, and he is confident of attracting top-name drivers for the race which, if all goes according to plan, could take place in two years time, bringing tourists to the city in droves.

Inside the inner area the rebuilding has not affected the tradition of small areas geared to a specific activity—the new Bank of England building is still in Temple Row, close to the financial heart of the city. The Bull Ring carries on the trading and marketing tradition of its open-air predecessor, and the new library in Paradise Circus will be close to the museum and art gallery, and just a few yards from the new Repertory Theatre in Broad Street.

Edgbaston change

Development of an equally rapid, if less spectacular sort, is still going on in Edgbaston, a suburb about a mile west of the city centre. For years the home of the Birmingham "establishment," the area contains the University, the Queen Elizabeth hospital, and the older schools. It has also provided a home in its quiet tree-lined streets for the smaller commercial businesses whose image is somewhat removed from the image of the entrepreneurial industries that form the city's backbone.

But in recent years leases on many of the large old houses in the Calthorpe Estate, which forms a large part of the suburb, began to expire, opening the way for the development of the area as a commercial centre for prestige office and hotel development.

On the Hagley Road, the main road leading west out of the city, a ribbon of expense-account hotels and prestige office blocks is making the district the fastest-growing commercial centre in the city, and nearby Harborne Road, close to the city centre, is an appropriate home for the Chamber of Commerce and industry.

On the far side of the city, just outside the boundary, the Chelmsley Wood overspill development—Europe's largest post-war housing development—is nearly finished. Ultimately housing 60,000 people, the development marks the intensity of the rehousing drive by the council in the 'sixties. According to Alderman Mrs. Freda Cocks, chairman of the housing committee, the last slum should be knocked down in 1974-75.

Community life

The emphasis in the recent stages of the rehousing drive has swung away from building new council houses, and towards refurbishing old but sound houses. The city's annual housing budget runs at about £48m. a year, and the corporation has pioneered a scheme of rent rebates for private tenants. The emphasis on refurbishing the old houses has helped preserve community life in the inner areas and avert the threat of tower block ghettoes.

Chelmsley Wood could find itself in the heart of a boom area in the next few years, if the plan for Birmingham's National Exhibition Centre gets the Government go-ahead. Just beyond the eastern boundary of the city and adjoining the airport, the centre could place Birmingham on the map as the honeypot for international industrialists by providing a shop-window for British industry. But the threat feared by local opponents to the plan is that it will open the floodgate for developments in the proposed Green Belt land by the airport, and turn the narrow stretch of greenery between Birmingham and Coventry into the same sort of dismal no-man's land that separates Birmingham from Wolverhampton and the Black Country.

But in Birmingham's plans to ease the problem of housing and space by seeking homes for its people in overspill areas more far-flung than Chelmsley Wood, the success rate has been much less marked. The city has agreements with Aldridge, Brownhills, Cannock, Daventry, Dawley, Droitwich, Lichfield, Rugeley, Stafford, Tamworth, Tutbury, Uttoxeter, Banbury, Malvern, Weston-super-Mare, Redditch and Telford, but so far the number of people willing to move out of the city is smaller than expected.

BIRMINGHAM III

Metals and medals, copper and coins

By PETER CARTWRIGHT, Birmingham Correspondent

"Made in Birmingham" used to be an imprint on goods found in every quarter of the globe—native cooking pots, instantly recognisable, it is said, by missionaries, brassware in the sheikhdoms of the Middle East, silver tableware in America, gold ornaments in Europe. Practically everything made of metal is, or used to be, made in the city.

A city of a thousand trades is its identification tag, though this seems to be in need of some revision. The city Information Department will tell you it should be fifteen hundred trades though it is not too certain how this number is arrived at. However, it doesn't seem due to an excess of publicity zeal.

The heavy and continuing dependence on metal has been noted as a disturbing feature by the economic planners. In a recently published appraisal of the West Midlands the regional Economic Planning Council pointed out that its share of the newer science-based industries like chemicals, pharmaceuticals, scientific instruments and electronic equipment was less than half of 1 per cent., except in the case of plastic moulding (0.9 per cent.), and there is no reason to suppose that the tally for Birmingham is much different.

Gun-making

So long as you don't want a computer, your wife doesn't use lipstick and you don't like colour television, Birmingham can cater for most normal lives from the cradle to the grave, from safety pins to coffin handles and much else in between, from engagement rings to beds and, according to status and hobbies, golf balls to ships' berths. As a law abiding city it makes most of the handcuffs in use, and if you really want to prove its versatility it will provide horse drinking troughs for the Swiss Army or intricate components for the Concorde.

One of its traditional industries is gun-making, though the visitor would be hard put to find many of its exponents left. Ironically, the processes of production have gone full cycle. Credited, during a period of sustained heavy demand during its early days with having introduced the machine shop, automatic processes have now largely overtaken this craft industry.

Traditionally it comprised outworkers who specialised in making particular components for assembly by the gunsmith, but there are now very few craftsmen left and the number of handmade guns, which cost around £1,000, made in Birmingham is now small. Technical progress and re-development of the central area in which the trade was situated have combined to disperse survivors, some of whom have entered other fields of engineering. Over the past decade the output of shotguns has declined steadily, and the industry now largely makes sporting guns, which find ready markets in America and Canada, revolvers and air rifles.

Jewellery is another, an even more prestigious industry which this year has been enjoying a comparative boom, despite the purchase tax, reduced in Mr. Barber's mini-budget last week from 55 to 45 per cent, although the ring trade complains of slack conditions. The number of articles submitted for hall marking at Birmingham Assay Office has been greater every month this year than last, and if value added tax reduces the existing tax level the industry's prospects seem good.

Before the war, when Birmingham MPs like Leo Amery and Neville Chamberlain were in high Government office, the annual banquet of the British Jewellers' Association was the most glittering occasion of the social calendar and was occasionally made the platform for important statements of Government policy. That kind of glamour has now departed and the industry takes a more workaday place in the industrial community. Some of the mystique of the "jewellery quarter" is also disappearing as the bulldozers approach the rabbit-warren of tiny offices and work benches.

The first phase of this change will be seen next month when a seven-floor flatted factory block is formally opened. The ground floor will house a police station, post office and public house, and above will be 84,000 square feet of space that can be divided according to tenants' requirements. This £600,000 development was originally going to be carried out by the Corporation, but has now been handed over to a developer working in collaboration with the Corporation and the Department of Industry and Trade.

Higher figure

About a quarter of the space has been let, at about 10s a square foot compared with a much higher figure envisaged in the Corporation project. However, many jewellers are loath to leave their existing premises until they have to, and some of the space is being allocated to approved tenants outside the industry.

No doubt some of them will come from associated trades, like those making silver and silver plated tableware, sports trophies, fashion jewellery (as distinct from fine jewellery), badges and medallions. All of them, to a greater or lesser degree, depend on skilled craftsmen whose training takes so long that comparatively few school leavers are prepared to commit themselves, preferring work that pays bigger money more quickly, as in the motor industry.

To survive, let alone expand, when faced with this kind of inertia and problems created by changing fiscal policies requires the introduction of new automatic or semi-automatic processes some of which, developed in the jewellery trade here, are extremely ingenious and indeed, in one case, the details of which are still being closely guarded, unique.

Those catering for the growing souvenir trade are doing relatively better. Some of the biggest units in the country are housed in the city, making a great variety of metal, vitreous enamel, plastic and anodised aluminium articles. The F.A. Cup medals are made here. So, too, were those so recently handed out at Wimbledon, together with thousands of badge and name plates for schools and cars and conventions. The variety is enormous.

For those concerned with precious metals an essential link with their markets is provided by the Birmingham Assay Office, whose protective role, like similar establishments in London and Sheffield, goes back four or five centuries. The marking of articles, both those locally-made and imported, provides a guarantee of quality acknowledged all over the world and is thus valuable for the export trade.

Another link with Birmingham's historic past is provided by the Mint, founded towards the end of the 18th century. As a company, which now also makes rolled brass strip, copper tube, capillary fittings and other products, it celebrated its centenary on the same site, ironically not far from Winson Green prison, in 1961.

Private mints

Up to just after World War I, it minted coins of the realm, but this function is now carried out only by the Royal Mint. Birmingham has another mint, IMI Kynoch Mint, at Witton, founded elsewhere in the City just before the first World War. These are two of the very few private mints in the world.

Both are about of equal capacity, and both make blanks for the Royal Mint, a recent big contribution having been in connection with decimalisation. Both also either provide blanks in a wide variety of copper-based alloys, or strike coins for many overseas countries from Algeria to Zambia.

Copper is, indeed, the foundation of a whole range of non-ferrous engineering activities, some units of which are among the biggest and most progressive in Europe, and some are small family concerns whose trade marks are still the best sales ambassadors they have in many part of the world. Because of the recent fluctuating prices of copper most of them have had varying fortunes, but among the most consistently buoyant have been those making decorative and ornamental brassware, such as lamp holders and wall plaques for the home and souvenirs for the tourist trade of many countries.

Birmingham's inherited skills in fabricating copper and in metal working generally, made it a natural choice for the development of aluminium and its alloys. The industry, now broadly spread over the country, had its origins in the city before the first World War. In 1910 Vickers was interested in airships and acquired manufacturing rights for Duralumin, an alloy developed two years before in Germany. Vickers employed Horace Clarke, a brilliant young metallurgist, to carry out investigations in Birmingham and he eventually found the necessary rolling mills, extrusion plant and furnaces at James Booth, then in Aston, and brought the project to fruition. But aluminium was not used in airships or, for that matter, in first world war aeroplanes, although the concept of light metal planes to replace those of wood and canvas was very much in the minds of advanced thinkers.

However, the post first world war period failed to bring the expected demand for aluminium and it was not until the mid-1930s that expansion really got under way under the stimulus of re-armament to meet the Hitler threat. One of the first planes to use aluminium extensively was the Wellington bomber. Developments continued apace, with substantial investment in rolling mills, foundries, extrusion and other plants both by local manufacturers like James Booth (now Alcan-Booth), Birmid Qualcast and Tube Investments, and by raw materials suppliers like Aluminium Company of Canada.

The motor industry was quick to make use of the advantages of lightweight and corrosion-resistant components that aluminium offered, such as pistons, door panels and, more recently, cylinder blocks. New uses, such as bottle closures and architectural decorations, were steadily found, with the result that Birmingham became and has remained one of the chief fabrication centres in the country.

A starting point for bright ideas

By PETER CARTWRIGHT

Far from believing the world owes it a living, Birmingham has helped to provide it with a number through a rare combination of inventiveness and entrepreneurial skills based on iron developments just to the west. And if it failed to invent a new metallurgical or other process quickly acquired the knowledge or manufacturing rights of many of those that seemed to have the widest advantages.

It sponsored, if not fathered, the growth of the modern aluminium alloy industry in this country, and was also one of the first areas to branch into plastics. Though generally regarded as a relatively new phenomenon because expansion has been greatest in recent years with the introduction of new materials, its history in Birmingham goes back to July 1907, almost as far back as the industry itself can go.

In that year a patent was taken out, and a second in October 1908, and two years later James Swinburne established the Damard Lacquer company at Tyseley for the fashionable purpose of coating brass bedsteads, but with a difference. The lacquer was a plastic type produced by the reaction of phenol and formaldehyde. This was the forerunner of Bakelite (which amalgamated with British Xylonite in 1963 to form Bakelite-Xylonite), which developed moulding materials for making plastic screw driver handles, camera housings, radio cabinets, telephone sets and many other products. These developments created a much broader base for the fledgling industry and were followed by phenolic materials for the manufacture of components, and new moulding materials for industrial and decorative laminates.

Not followed up

This brave essay of plastics into a world dominated by metal working and metal using interests was hardly followed up and the city is much under-represented in this field, although it contains a number of concerns making plastic products and manufacturing extrusion and other equipment. This is only partly because convinced metallurgists—and there are many in this city—will tell you that ultimately new metal alloys will regain ground lost to plastics in many engineering applications. The newer plastic materials have been emanating from the big chemical plants sited in other parts of the country and moreover the government policy of assisting Wales, Scotland, the North East and other development areas by channelling new projects to them and denying space in the Midlands conurbation through Industrial Development Certificate policy, even to expansion of traditional industry, has made the establishment of science-based industries in the area an impossibility. The Midlands share of electronic equipment, pharmaceuticals, scientific instruments and the like is under one half of one per cent., and only in the case of plastic mouldings does it approach 1 per cent.—actually 0.9 per cent.

Birmingham has fared much better in another relatively new process, powdered metal manufacture. The concept of making components from compressed metal powders which are later sintered, or heat treated to make them coalesce, is at least half a century old. But in this country it got its big boost during the Second World war. In 1943 the BSA group, controlling a number of vital armament factories, set up a project that within a comparatively short time was yielding large numbers of rifle sights and triggers. These are fairly intricate components not easy to machine and the great advantage with powdered metal components is that they can be compressed into very nearly the final shape, generally requiring no more than light machining.

The raw material for the sintering process is finely divided iron powder to whic[h] alloying powders of coppe[r,] nickel and molybdenum, f[or] instance, can be added to atta[in] the desired properties. Aft[er] thorough mixing the powde[rs] are compressed under hig[h] pressure into the desired shap[e] rather like an aspirin table[t]. Powder metallurgy componen[ts] are now being made by the mi[l]lion—British Leyland ca[rs] made in Birmingham car[ry] about 10 lbs of them—and th[e] Midlands area contributes prob]ably the largest proportion, wi[th] BSA alone accounting for abo[ut] a third of the market in pr[o]ducing nearly 100m. comp[o]nents a year.

The city was also a centre f[or] the production of nickel, th[e] vital ingredient in aircraft je[t] engines until Henry Wiggi[n,] part of International Nick[el,] transferred production to Her[e]ford. But in even new[er] aerospace materials, li[ke] titanium, it has the on[ly] remaining centre of producti[on] in this country—and the large[st] in Europe—at IMI, Witton.

Although the series of pri[ce] reductions of titanium h[as] made it more competitive wi[th] alternative alloys for mo[re] general engineering appli[ca]tions, 60 per cent. of output —or was until the collapse [of] Rolls-Royce—committed to aer[o]space projects. Besides geari[ng] its capacity to the needs of [its] biggest customer, Rolls-Roy[ce,] IMI has also delivered 30 to[ns] for use in the two Concorde[s].

In 1966 it commissioned t[he] first sodium-potassium vacu[um] arc furnace (liquid metal cool[ed] because of elevated melting te[m]peratures around 1,200 C) a[nd] by the end of 1970 had three [on] stream. This continuing expa[n]sion is costing around £7m. [a] year and has so far rais[ed] capacity to about 5,000 to[ns] annually.

Severe blow

Although cancellation of t[he] RB211 engine would be a seve[re] blow, demand elsewhere h[as] been strengthening to the exte[nt] that non-aircraft business h[as] had to be turned away. If it [is] cancelled it is considered t[he] business lost could be made [up] in other directions with a ye[ar] to eighteen months. Some of th[is] would be from overseas—[ex]ports are currently running [at] 35 per cent. of production—a[nd] from newly developed outl[ets] such as in costume jewellery. [In] a process of optical interferen[ce] all the colours of the spectr[um] can be applied to the material [in] a way that they will not wear [or] even scratch off.

While titanium is the b[est] known of the more exo[tic] metals, IMI also makes othe[rs] such as zirconium, widely us[ed] as foil in camera flash bul[bs,] tantalum for nuclear ener[gy] applications and hafnium, us[ed] for nuclear power accelera[tor] rods.

BIRMINGHAM IV

Motorway links give easy access to markets

By J. R. T. DOUGLAS, Joint Managing Director, R.M. Douglas Construction Ltd.

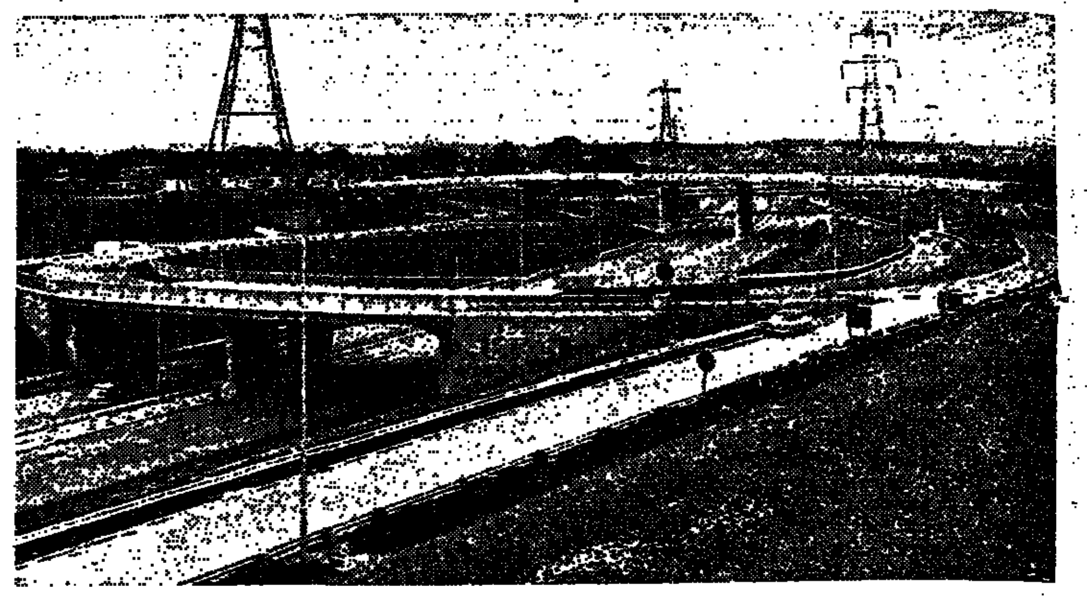
Until about 1775 industry in Birmingham and the surrounding area was prevented from expanding production of coal and manufactured goods because of the limited distribution area which could be economically served by horse-drawn wheeled transport. The construction of the Midlands canal network, built mainly by private enterprise, changed the face of the region and set Birmingham firmly on its way to prosperous growth based on diversified industrial production with a large emphasis on sales outside the Midlands and overseas.

In the following 150 years the railway companies opened up their rapid method of transport for the Midlands and the canals fell into disuse because the total elapsed time from producers' factory to customers' premises was less by rail than by waterborne means.

Now it is the railways' turn to struggle because road transport, with its greater flexibility, higher average speed over the total distance, and the advantage of factory to user delivery with less double handling has become more and more attractive to the manufacturers of the Midlands. This attraction has been vastly enhanced by the development of the British motorway network and once again Birmingham is at the hub of the most efficient internal transport system available to British producers and exporters.

It may not be wholly true that Britain's prosperity is made in Birmingham, but it is certainly true that Birmingham's prosperity has depended more on efficient inland transport than has the prosperity of other highly developed areas in Britain. This seems to have been recognised by those responsible for planning the national motorway network and Birmingham is now in an enviable position in that motorways already constructed or planned provide rapid and easy access to most of the major ports through which exporting is carried on.

By the end of this year the Aston Expressway will link the already completed Inner Ring Road to the M5/M6/M1 Midlands links motorway which will also be complete. At this time the basic necessary system will be finished, but bottlenecks will still exist between Birmingham and Telford, Birmingham and Nottingham, Birmingham and Redditch and for traffic proceeding in an east-west direction, both north and south of the conurbation. However, when the M42, passing from Rubery around the south-east of Birmingham past the National Exhibition Centre site and on to meet the M1 near Nottingham is built, there will be considerable relief for the crowded A453 through Tamworth and Ashby-de-la-Zouch.



The M6-A34 intersection.

Planning stage

Just as important is the improvement of communications along the line of the existing A5. The M54, which is the motorway which will provide relief on this route and is already in course of preparation as far east as the line of the M6, is now to be extended in the planning phase as far as Brownhills where it will join the much improved A38 passing south of Lichfield and up to Derby. The Sutton Coldfield eastern by-pass which will be put out to contract later this year will provide a south bound link from the Lichfield area to the Gravelly Hill interchange where it will be linked to the Aston Expressway and the M1/M6 motorway.

Studies are also in hand for a Birmingham-Oxford motorway which may join a new motorway passing from Twyning to a proposed new major interchange south-east of Birmingham, which would link those two motorways with the M42. With the Oxford by-pass, the Birmingham-Oxford motorway will provide an alternative route into London using the M40 which will by then have been improved by the addition of a motorway by-pass to Gerrards Cross on which work will commence this year. The Birmingham-Oxford motorway will also provide quick access to Southampton, particularly since the section between Newbury and Winchester has now been added to the Department of the Environment's preparation pool.

All this activity, both in planning and in construction, has given rise to major changes in the attitude of developers to land in the Midland area. Sites for industrial or warehousing purposes are changing hands at higher prices up to £40,000 per acre in recent weeks. Other sites which might have been regarded as unattractive to developers such as the disused Tyburn Road sewage works of the Upper Tame Main Drainage Authority are now under active consideration. Developers who have suffered, with industrialists, from the restrictions imposed by industrial development certificate control are now conscious of the ideal situation of the Birmingham area for distribution, and speculative warehousing estates are being planned and constructed on many sites with easy access to the motorway network.

Technologically based

Thus it may well turn out that the relatively small amount of land still available in the Birmingham conurbation will be used up for warehousing and distributive facilities whereas it is clearly preferable that it should be used for the establishment of new technologically orientated industries, which the Birmingham area sadly lacks and which would do much to redress the out-of-balance caused by the area's deep commitment to metal-working and motor-car production. Since the total amount of free land is clearly limited it is time for the Government to review again its IDC control policies so that technologically based industries can be established in the conurbation while there is still room for them. This is not to say that it is not inevitable that a certain large amount of warehousing will be built to take advantage of the uniquely

Continued on next page.

Special place of the car industry

By PETER CARTWRIGHT

It is a good many years since a colleague was hit in the face by a brickbat aimed, during a mass meeting of strikers, by a car worker at a union official who was stoically telling them to go back to work. Things have changed quite a bit since then, of course: even brickbats are no longer thrown.

The incident occurred during the heady post-war period. There have been scores of strikes in Birmingham since then, and union officials and managements have become battle-trained and hardened. There is still no lack of hard-liners, of tough, determined negotiations, but what distinguishes present-day confrontations — union-membership or union-management—is the comparative absence of emotion. Over the years unions and managements have made pretty clear the boundaries over which the other side steps at its peril. Apart from wages and "*mutuality*"—*agreement over* such matters as changes in manning and custom and practice —the areas of conflict leading to mass strikes have been appreciably diminished.

From this distance recent events in the newer centres of car production, like Merseyside, suggest they are in an earlier phase of development through which Birmingham has already passed. Here there is something akin to pride, many would say a perverse pride, in what is regarded as a more effective way of handling these matters. That is certainly true of the successful efforts that have been made to raise pay rates and other benefits to among the highest of their kind in the country. Their influence on other centres of production are, as we have been seeing, widespread.

New models

Their impact on the engineering and associated industries in the city has been even more pervasive. In the past it could be argued by managements not directly associated with the motor industry that while rates in it might be higher they worked far fewer days, even normally, for it was customary to lay off many workers for two or three months during the summer while tooling up for new models. Expansion into export markets having different peak selling periods and the necessity in some instances to meet these peaks in the factory months before to take account of extended transport pipelines made it more sensible to stagger dates for the introduction of new models. As a quid pro quo for this greater stability of employment men were required to work overtime to meet peak commitments. Since then the motor industry has moved much closer to an annual wage.

In general only the greater frequency of strikes and stoppages in the motor industry is maintaining the gap between intermittent, high paid employment and regular, year-round employment at lower rates. But security is far from being the main reason why workers stay out of the motor industry. They prefer the less anonymous smaller units in which the variety of work and personal satisfaction are greater, and personal relations on the shop floor and with management more meaningful. As an important sub-contracting area Birmingham abounds with smaller units in which the family spirit is strong.

Main stream

But even here things are changing. This was an area that used to boast of its non-unionism, and it has been among them that unions have been recruiting at a rapid rate. Under pressure more and more of the smaller establishments are being carried along by the main stream of events in the motor industry. The recent high and well publicised wage demands, the handsome settlements (especially after strikes), in which any element of productivity tends to be minimised, have all but removed the possibility of opting out. Nowadays the motor industry exerts its influence on the wages front much more quickly and directly in industries as far removed from it as jewellery. This is creating a much less flexible and resilient industrial structure. Birmingham is no longer a place to which one can point as being able to surmount an economic downturn better than almost any other, and strong doubts are being voiced about its long-term future (in common with the rest of the conurbation) if it continues to be denied a share of the new, *technologically based* industries.

A sector that one might have thought would suffer particularly acutely from this kind of situation is that supplying components, caught between rising manufacturing costs and resistance to higher prices from the car manufacturers. This was truer of the past but the big groupings, like GKN, Lucas, Dunlop, Wilmot Breeden and Triplex, have become more united and determined in insisting on adequate returns, while smaller units have diversified into other products to lessen dependence on the motor industry. Moreover, the big groups have substantially extended their manufacturing and distribution networks overseas in backing up motor exports, and are now considerable direct exporters, both in original equipment for overseas manufacturers and for replacement markets.

Birmingham-based component suppliers comprise bigger and more effective groups than are generally to be found on the Continent and make a substantial direct contribution to the exports of the motor industry. The growth of multi-sourcing, with European manufacturers purchasing increasing quantities of components from this country, and entry into the Common Market will provide them with new opportunities and should contribute a welcome extra measure of employment stability.

BIRMINGHAM V

Old foundry skills a base for new advances

By ROBERT DAVY

The tradition of working in metal appears early in Birmingham's history. In 1538 the historian Leland described the city as "a good market towne . . . with many smithes."

One of the *main reasons for* the uninterrupted industrial prosperity of Birmingham is undoubtedly its high degree of industrial diversity with something like 1,500 different trades. Many of these trades are concerned with metals and the early traditions of the city have been maintained so that to-day there is very little in the way of metal products that cannot bear a Birmingham trademark.

Although this product range extends from fine jewellery to railway wagons and silverplate to machine tools its best known manufactures are perhaps motor vehicles, brassware and a *wide variety of complex* machinery. Most of the goods in these categories are reliant *upon castings and it is the long* tradition of skilled foundry work in the city that has led to the development *of these* related key industries. Birmingham is also well served for foundry work in that many of the consumable purchases of the castings industry are obtained locally.

The ancient history of cast iron, the romantic discovery and dramatic applications of steel and the sweeping Victorian splendour of the cast iron pillars of our ageing railway stations tend to give cast iron an image of a fading age reminiscent of the spear headed railings of a Georgian spa. Yet, despite the rapid advances made in the development of newer alternative materials, iron castings remain as the foundation of most of the engineering technologies of to-day.

No substitute

Much of this continuing success *is obviously* based on the simple fact that for many applications there is no substitute for cast iron. But much is also due to the fact that in cities like Birmingham traditional skills *have become closely* interwoven with the rapid scientific advances of the technological age.

Some 50 per cent. of the total national output of around 3.7m. *tons of cast iron is produced in* the Midlands—a balance that has remained constant for many *years. A large proportion of* the 1.8m. tons originating from the Midlands is produced by the dozen or so ironfoundries within the immediate boundaries of Birmingham. Although these *represent a comparatively small* proportion of the total number of ironfoundries their output is *significant and includes some* 300,000 tons from one group. This group, Birmid Qualcast, has expanded *over the years to* become the largest foundry organisation of its type in Europe. The major proportion of its 12,000 foundries division employees are drawn from the Birmingham area and represent a considerable degree of traditional foundry skills. The group, like other foundry undertakings in Birmingham, has longstanding connections with the automotive industries. Rapid pace of development by British car manufacturers has encouraged and enabled producers of *iron* castings *to* develop a growing range of newer cast products like the S G iron crankshafts now used almost universally in passenger cars produced in this country.

The needs of high-speed manufacturing technologies are also being met by innovations like a highly developed technique perfected by Dartmouth Auto Castings for producing S G iron crankshafts with a high degree of dimensional accuracy; thereby reducing machining and balancing operations and *eliminating straightening.*

These advances, together with rationalisation, have enabled the more efficient foundries to weather the storms brought about by difficulties in recruit*ing,* the needs to improve working conditions and the effects of the problems of other *industries. In the general field* there is also the problem of substitution of fabricated pro*ducts for one-off castings where,* in this high-speed age, customers are reluctant to wait *the comparatively long periods* needed for pattern-making and processing.

On the plus side, much of the lost markets are equalised by items like crankshafts for *the newer higher-powered car* engines which, because of complex configuration, are difficult *to forge and more are readily* cast. And, excepting that every motor-car is started and stopped by cast iron products, there is a growth market of considerable size.

While some 600 iron foundries have closed in the last decade to leave around 900, those *remaining* have increased overall productivity by between 20 and 25 per cent. And despite a decline in the total labour force from 130,000 to 100,000 the value of iron castings went up from £325m. to £380m. during this period.

Undoubtedly the vicissitudes *of the automotive industry have* in the past been a burden to the Birmingham ironfounders *producing* large *quantities of* cylinder blocks and heads, camshafts, brake drums, flywheels *and other cast iron components* for the motor car. Entry into the Common Market would go some way to countering this with European motor producers increasing their already substantial orders in our foundries. To avoid the inevitable disruptions caused by industrial problems the major continental vehicle manufacturers will seek alternative suppliers of component parts and U.K. foundries—*particularly the larger Midlands* units—should profit from the advantages of higher produc*tivity and technical ability. In* this connection it is significant to note that products of at least one major Birmingham foundry group have been used by Fiat. Neither should it be overlooked that in the general field of cast iron products good business is being done with overseas territories who themselves have *highly* developed foundry industries. These include the Americas, Japan and Scandi*navia.*

Like the ironfounding industry, a relatively small *number of non-ferrous foundries* are situated in Birmingham with a much greater total in adjacent *Midlands towns. But,* also like ironfounding, the Birmingham non-ferrous foundries enjoy a *high degree of efficiency that* has developed from the traditional skills in metal that have grown in the town and now form a vital part of our industrial wealth.

Greater rate

It could perhaps be claimed that developments in the non-ferrous field have gone ahead at a greater rate than developments *in iron casting. It may* even be claimed by some that the iron founding industry has *benefited by spin-off from these* more rapid developments.

Much of the substance of such *claims must obviously be based* on the fact that the higher cost of non-ferrous metals and the specialised demands of new technologies have imposed greater demands for innovation. *Also lower melting* temperatures have enabled sophisticated techniques to be developed to *reduce metal consumption, in*crease output and improve quality. If one considers that *metal cost represents 25 to 60* per cent. of the total cost of a die casting it is clear that, with *current* metal prices, even a minimal saving in material can have a considerable effect.

Non-ferrous casting in the Birmingham area embraces a wide range of metals and alloys with castings produced by sand gravity, pressure die, shell, lost wax, plaster moulding and injection moulding.

Each of these has been developed within the broad area of foundry work but with a distinct series of individual *techniques* to overcome particular problems. An instance is the problem of locking die-halves *together in pressure die-casting* where increasing pressures are used and a higher degree of accuracy is required with minimum metal wastage.

It is with this type of problem that the British Non-Ferrous Metals Research Association have been able to help. Similarly, to aid productivity by keeping the time cycle of die-casting to a minimum, BNFMRA have developed a cycle/time controller which enables standardisation on a particular ejection temperature.

More efficient

By eliminating the guesswork factor in ejecting dies this gives greater productivity with more efficient plant utilisation. It also makes it easier to control temperature of the die at injection stage to give a more consistent surface finish to the product.

By using its mobile computer to analyse such a problem the Association has enabled one Birmingham die casting company to step up output of a twin die casting unit producing sole plates for domestic irons by 3,000 additional sole plates per week.

A further example of the use of instrumentation in this field was reported in this paper earlier this month and dealt with a development by a Birmingham foundry of a method of super-heating die tools used in gravity die casting to a predetermined level, modifying the feed system and automatically applying gaseous pressure during solidification to produce a casting having improved surface finish, greater accuracy and definition with increased strength and machineability.

It is this approach that is achieving increases in productivity of up to 50 per cent. by eliminating variable factors and developing scientific rules in what in many cases is still an old established industry.

There may well be some who *would question the description* of Birmingham as the home of the foundry industry and *question its pre-eminence in this* field.

One of the ways in which the *claim could be upheld is the* fact that Birmingham's Bingley Hall was earlier this year the venue for the 1971 Foundry Exhibition, the fourth post-war British exhibition of this kind. The interpretation of experts in the field is that the exhibition did more than bring buyers from home and overseas, it indicated Britain's lead in the foundry equipment and supplies business.

At the close of the exhibition orders from U.K. and some 40 other countries were over the £4m. mark. *In a highly special*ised field orders of this size confirm the claims of our lead in *this technology and endorse the* considerable value of the traditional skills in metal forming developed in Birmingham.

And in addition to the "heavy boys" like Birmid Qualcast pro*ducing on the one hand a whole* range of iron castings and on the other hand pressure die castings of less than 1 oz up to 75 lbs—a whole range of Birmingham foundries produce castings for costume jewellery, domestic and garden equipment, electric motors, door furniture and a thousand and one other uses.

Local brokers stay confident

By MICHAEL BLANDEN

A qualified optimism about the outlook for the industries of the Birmingham area was a prominent feature of current thinking among the local financial community even before the boost given by the mini-Budget. The dominant industrial activities of the area, it is true, are of the sort which tend to suffer particularly in periods of national recession—notably, the substantial section which is dependent on the motor-car for its prosperity. Yet even in this area of business, local stockbrokers point out, many companies, large and small, have succeeded in doing well even against the generally depressed background. Now, they report that over a considerable section activity has been picking up.

Longer view

Local bankers tentatively confirm this view. There has, they report, been some increase in *the demand for funds for local* industry, apparently reflecting better prospects in some indus*tries which had been particu*larly hard hit. And one banker, taking a longer view, held a hopeful opinion of the prospects for development in the area. He admitted—as did a number of other local observers — that there is some problem in establishing better labour relations in the area, felt to be necessary if there is to be continued satisfactory economic development. But from its well-established industrial base in the engineering and other sectors, he foresaw the opportunity to build up on a much larger scale activities like the leisure industry, particularly important if the city is to fulfil its aim of becoming an international trade centre.

These views, expressed by men in close and regular contact with *Birmingham-based* industry, are of considerable relevance to the consideration of the *strengths of the local* financial community. For the one point that is repeatedly stressed by all *those concerned* is the value to them and their clients of their knowledge of local business conditions. Birmingham is much too close to the huge financial magnet of London to be able in any real sense to exist as an independent financial centre in its own right. Occasional attempts to create a locally based money market have, not surprisingly, foundered on this unavoidable fact. The basic financial services of the area are provided through the branches of the big national banks. Locally based financial institutions, with few exceptions, look to London for funds and for business. And the dominance of the capital is *if anything tending to increase* as local institutions are taken over by national companies and as London-based companies, particularly in the merchant banking sector, exert greater energy in seeking business.

Nevertheless, the area does have a remarkably strong tradition of developing its own indigenous financial services. Their roots in the special industrial character of the area, *it is argued, give them an* advantage over national or London-based services. And *the indications are that the* increasing attractions of Birmingham and the West Midlands will if anything help to strengthen the effectiveness of the local financial community.

Local wealth and industry has been reflected in the establishment of a considerable number of major financial institutions, many of which have evolved into national organisations or been more recently absorbed. Two large *insurance companies,* [for] example, have their base in t[he] area—the Britannic and *Wesleyan and General*—wh[ich] have outgrown their origi[nal] Others have reflected [the] *increasing interest shown* [by] London in this import[ant] industrial area. The Midl[and] Assurance, *for* example, [was] taken over by Eagle S[tar]. Forward Trust, a major co[m]pany *in the instalment cre*[dit] business, started life as a re[la]tively small Birmingham co[m]pany and then *formed the* b[asis] for Midland Bank's move i[nto] hire purchase on a natio[nal] basis. And one of the m[ost] recent local growths, the Bi[rm]ingham Industrial Trust—se[t up] *late in 1959* by a group of le[ading] professional and busi[ness] interests to provide Birm[ing]*ham industry with its* [own] issuing house—went to F[irst] National Finance Corporati[on].

Merchant banks

It is perhaps in this area [of] financial activity, merch[ant] banking and issuing operati[ons] that the recent changes in [the] local financial climate [have] been most conspicuous. [The] establishment and subseq[uent] history of BIT reflects a pa[ttern] in Birmingham life which [is] particularly relevant to [the] interest currently being sh[own] *by the London merchant ba*[nks] in the area.

The Birmingham area is [the] *origin and still the centr*[e of] activity for a consider[able] number of industrial compa[nies] which have grown to nationa[l or] international status. Most h[ave] gravitated towards Lon[don] though one or two like G[KN] and Tube Investments re[tain] big rear headquarters in [the] Midlands. It is also the cer[tre] however, for a very large n[um]ber of smaller companies, m[any] of them providing various k[inds]

Continued on next page

Motorways—*(Cont'd.)*

Continued from previous page

advantageous communications *situation.*

For those *engaged in the* actual construction of the motorways, trunk roads, and the commercial and industrial developments which flow from *their existence the prospect* cannot but be encouraging, in spite of the current situation of high unemployment in the Midlands, especially among construction workers. It is perhaps not sufficiently often stated that total unemployment in the West Midlands area has been greater than that in the whole of Wales for most of the years since 1963 and this social distress often hits the relatively unskilled and traditionally casual labour employed in construction.

Productive value

Most of the men at work on a *large motorway project* may not have traditionally recognised craft skills, but as members of a *team carrying* out a highly mechanised and scientific operation they have a productive value far in excess of that which might be attributed to their basic education and training. The pity of it is that in spite of all the planning and preparation carried out at national level and regionally by the Road Construction Units of the Department of the Environment it appears to *be beyond human capability* to ensure that there is continuity of work for these teams of men *and indeed for the* expensive machinery they operate so skilfully. This lack of continuity is *caused partly by difficulties* relating to land acquisition, partly by insistence on indivi*dual tendering for each project* which almost always means that a contractor cannot move from *one job to another in the near* vicinity, partly by shortage of money, and partly by the sheer *size of the planning task.*

However, to deal with this last part of the problem, there are skilled teams employed by consulting engineers capable of doing this route planning and motorway design work which are also being disbanded at this point in time. One of the consulting firms concerned has been associated with motorway design and the supervision of its construction since the commencement of the programme in the 1950s, but even their resources of personnel are being dissipated into other fields of engineering endeavour. Surely there *would be some merit in keeping* these teams together and in getting further ahead with *motorway* preparation and planning even if the projects thus prepared were not let for contract until a later date.

Recently there has been a proposal to experiment with the *splitting of major road projects* into two or more contracts, in particular by constructing bridges and embankments ahead of a separate contract for the actual road construction. It is extremely doubtful whether this experiment will result in economy in terms of money or time and it certainly gives serious possibility of conflict because of division of responsibility for the accuracy and quality of the work. If an embankment is subject to settlement after the road construction has been carried out, giving an apparent deterioration in the surfacing work, it will be difficult to determine the overall responsibility and in the end it is likely that the taxpayer will foot the bill.

Under the traditional contract form one contractor *is totally* responsible for all these operations. There would appear to be considerable logic in the opinion expressed by some that instead of experimenting with different types of contract the experienced and indeed invaluable engineers concerned should concentrate on *organising the* forward preparation and planning of major work so that a pool of *fully documented* schemes is available at all times. Most of the delays that *occur between the original idea* of building a road from A to B, and its final opening, are related not to its construction, but to the legal, planning and social considerations which, quite rightly, must be given due weight.

For instance, the part of the Midlands links motorway project to be completed this year was let as seven contracts. Of these one was completed seven months ahead of schedule, another five months ahead of schedule, two *others four months* ahead of schedule and the other three will be completed on time or perhaps a *little earlier than* programmed. These accelerations took place after the contracts were let.

Planning blight

It has been said that to plan a motorway project overtly in an area before it is absolutely necessary induces undue anxiety and speculation as to the consequences and may cause planning blight. This argument seems to provide an excuse for inadequate consultation with those directly concerned and occasionally to a regrettable amount of moral bulldozing against which individual people have little redress. Surely it is better for the proposals to be made openly in plenty of time and for consultations to take place in a more leisurely and therefore calmer atmosphere.

Much remains to be done in and around Birmingham. The improvement of the Coventry road between the city centre and Elmdon Airport, the improvement of the Alcester road from the city boundary to the Inner Ring Road, the completion of the inner end of the Perry Barr expressway and its *continuation to the* M.6-A.34 interchange are just three examples of what remains to be *done. Birmingham is fortunate* in having adequate local civil engineering expertise to tackle *all these projects, and carry* them out as expeditiously as those which have led to the *present much* improved communications situation I have attempted to describe.

BIRMINGHAM VI

Many-sided work of the Chamber of Commerce

By ROBERT C. BOOTH, Director, Birmingham Chamber of Commerce and Industry

Although the official history of the Birmingham Chamber of Commerce really began with its inauguration on July 21, 1813, a commercial committee had been formed 30 years earlier in 1783 "to deal with matters of trade in the fast-growing town of Birmingham, in central England."

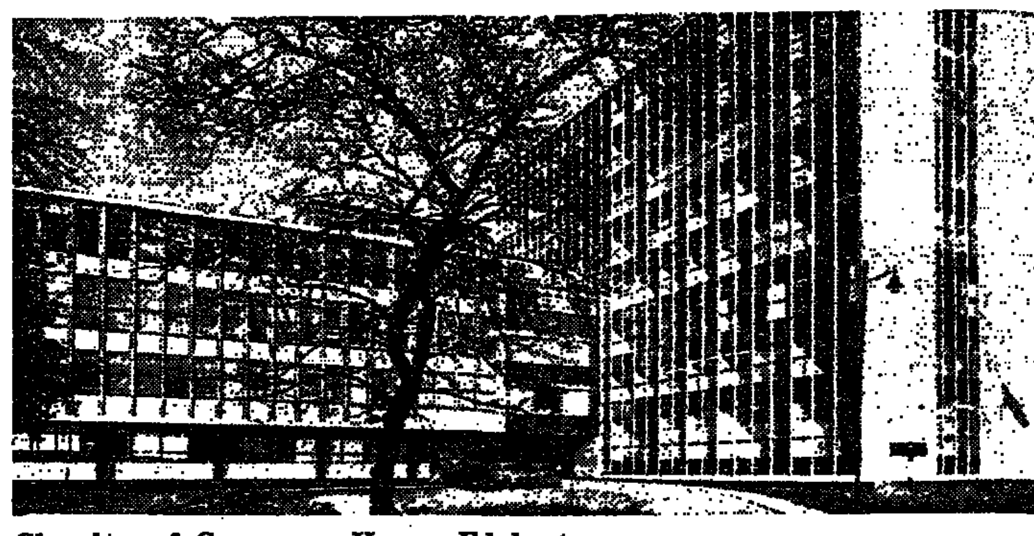
When this Committee became the Birmingham Chamber of Commerce in 1813 it had about 200 members. Much of the new Chamber's work was predominantly local but its scope and influences gradually widened; some interesting visitors came to give addresses, among them Ferdinand de Lesseps who spoke about the proposed "ship canal across the isthmus of Suez" and Dr. Livingstone who explained the course of his travels and the advantages to commerce which might be expected from further explorations. Well-known Birmingham names like George Dixon, Arthur Ryland and Joseph Chamberlain were prominent in the Chamber's affairs then.

In 1902 it was completely reorganised and the Chamber's first full-time secretary was appointed. At the centenary in 1913 membership totalled 1,700 but at the centenary banquet the Prime Minister, Mr. Asquith, was in understandably sombre mood, referring to the "disheartening and repellent spectacle" in the East of Europe.

Three years later, despite the war, the Chamber took a bold step in acquiring its own buildings in New Street in the heart of the city. These were the Chamber's home for over 40 years and were not vacated until 1960, when it moved to its new headquarters in Edgbaston.

In 1920 the Chamber began its long and historic association with the British Industries Fair, successfully running the Birmingham section at Castle Bromwich on the outskirts of the city right up until 1957. It then became clear that specialised exhibitions were taking preference over general fairs. The Chamber could not then see the previous considerable financial and commercial success of the BIF in Birmingham being maintained when it was decided that the BIF in London be closed. The BIF in Birmingham was wound up in 1957.

This did not mean that the Chamber no longer exercised its expertise in exhibitions and fairs. It has become more involved in joint ventures in overseas fairs—last week receiving the Gold Medal for excellence for its sponsorship and organisational work at the Rand Show, held last Easter at Johannesburg. Its vistas are now widening still further with the proposals which it has made jointly with the Birmingham Corporation for the siting of the National Exhibition Centre adjacent to the city's airport.



Chamber of Commerce House, Edgbaston.

Nowadays in its new headquarters in Edgbaston, built in 1960 at a cost of £500,000, the Chamber has a staff of 130 to provide a service for over 4,000 member-firms.

In the U.K. the Chamber's work is linked with that of neighbouring Chambers of Commerce and it is a member of a group of nine Chambers working in five counties in the Midlands. They meet regularly to discuss policy on such matters as national and regional planning, legislation affecting industry and commerce, road, rail and air transport, education, industrial location, fuel supplies, telephone services and productivity. The Birmingham Chamber gives a lead in supporting many national and local campaigns and in promoting industrial fairs and exhibitions.

On any weekday, upwards of 500 businessmen, among them visitors from abroad seeking advice and information on Midlands commerce and industry, come to the Chamber for a variety of reasons. Meetings convened by the Chamber include discussions on education, transport; taxation and industrial affairs; the information department can advise on any one of hundreds of possible topics, from agency agreements to export regulations; British Standards can be purchased from the BSI sales office; the Chamber also has a 6,000-volume commercial library, can provide translations and is equipped with a telex service. In 1970 the 14-strong specialist staff of the information department dealt with 116,000 inquiries; 39,820 certificates of origin were issued and 347 carnets were signed; the translation department carried out over 10,000 commissions and the telex service handled a record 32,600 messages.

If, however, one had to indicate a particular aspect of the Chamber's work which characterises most closely the high degree of day-to-day involvement between the Chamber and its members, the answer would inevitably be the Chamber's export promotion work. In 1960 and the years immediately afterwards the Chamber formed its nine overseas sections, covering the world by geographic marketing areas. Member companies are entitled without extra charge to belong to one or all of these overseas sections. They elect an executive committee, generally comprising manufacturer, banker and export house members, to be responsible for a programme of export promotion in each section's special marketing area.

The result has been to bring Birmingham Chamber of Commerce and Industry right into the export front line, though this has not, of course, happened overnight. But one very important development which led to its involvement more and more directly with the export salesman has been the technique of "hard selling missions" to both major and lesser-known markets. This type of selling mission, comprising a broad mix of companies and products, was pioneered by British Chambers from 1963 onwards.

Firms represented on missions have all the advantages of pre-planned group arrangements, and opportunities for making top-level contacts in the countries visited. They can also make individual arrangements for business visits according to their particular interests, and use the resources of the Chamber for help with market research, and for obtaining information on local conditions in the country concerned.

More than 560 local firms have travelled under the Birmingham banner to 112 markets, and it has been estimated that export orders totalling £61m. have resulted from the 71 trade missions which the Chamber has undertaken since 1965. Of this total no less than £29m. was notified as firmly booked when members completed their initial assessments of business arising from missions.

On the other side of the picture, trade delegations from many countries including the U.S., South Africa, Spain, Germany, Nigeria, Jamaica, and the Congo have visited the Chamber in the past 12 months for talks about business possibilities, while Ministers, ambassadors and individual businessmen from many countries have been welcomed here. The Chamber's overseas contacts, too, frequently identify products which are suitable for the member-firms.

This brief picture would not be complete without reference to its publications, its policy work in the fields of taxation, transport, law and education, and as a sounding-board for the views of industry and commerce.

In addition to a special bulletin for exporting members, the monthly journal "Midlands Industry and Commerce" is instrumental in keeping everybody abreast of local and national developments of which they should be aware. A four-language trades directory listing 6,500 West Midlands firms is published each year and circulated widely both at home and abroad. The Chamber's committee structure takes into account such diverse questions as the restriction of industrial development in the Midlands through IDC policy, close company legislation, developments in commercial education, the future structure of U.K. taxation, national and local transport problems on the road, rail or in the air, and a host of other day-to-day matters affecting the membership at large.

Brokers— *(Cont'd.)*

Continued from previous page of service for the industrial giants. Some of these are big companies in their own right; a large number are smaller public or private companies. And it is in this type of operation that the merchant banks see the chance of developing a lot of good business.

In the early and mid-1960s there was a rush of activity in the flotation of private companies on the Stock Exchange, some of them very small indeed. At that time, a number of Birmingham stockbrokers enjoyed the profits of handling locally based flotations on their own account. BIT was partly set up in anticipation of this business. And the one indigenous merchant banking operation which has remained independent, the Neville Group, was particularly prominent in this field.

Neville, set up just before the war by the late Mr. George Roland Dawes, made a speciality of nursing small companies to the point of going public, and servicing their needs afterwards. For a number of reasons, the rush of issue activity has died down: Stock Exchanges became more rigorous about the size and other qualifications demanded before they would give a share quote; the trend towards the integration of industry meant that many small companies have been taken over at or soon after the point when they are of a size to go public. Partly as a result of this Neville has somewhat changed its character, tending to take a direct interest in the companies it is involved with.

The prospect of good financial business has at the same time increasingly attracted other banking and financial businesses into the area. ICFC, for example, has found it well worthwhile to have its branch in Birmingham to provide finance and financial advice to local industry. With varying success, an increasing number of London merchant banks have been venturing out from their City seclusion to seek business through local offices or representation. Singer and Friedlander started in 1963; others have included Hill Samuel, Charterhouse, Old Broad Street Securities and William Brandts.

For these operations, local contacts have proved vital to success. It is fairly generally acknowledged, for example, that Singer and Friedlander has done one of the best jobs in establishing itself in Birmingham (and in other centres) because it has deliberately employed men of high quality and local knowledge with the ability to make decisions on the spot.

Merger advice

The sort of business the merchant banks are looking for includes, for example, the provision of merchant banking services not only to the smaller companies in the Birmingham area, before and after flotation, but also to the considerable number of fairly large companies which have not so far used merchant banks. They see an opportunity for helping to improve management standards generally, as well as offering banking services, investment management and help with takeover and merger advice.

At the same time, it is increasingly recognised that only local knowledge and contacts can make this work. The resistance which many local businessmen not unnaturally feel towards the interloper from London is still a factor in the situation, particularly since there is a strong element of director-controlled companies with traditions of self-reliance in financial matters. And those banks which are successful stress the importance of regular factory visits and of using local professional services in dealing with local problems.

Similar views are expressed with some conviction at the Birmingham Stock Exchange. This houses the offices of one of the major regional Stock Exchanges of the country. With a total of 224 members—over half of them in Birmingham—and 37 member firms, the Midlands and Western Exchange covers as well Nottingham, Bristol and South Wales—the most important industrial concentration in the U.K.

It is freely admitted that the exchange could hardly work satisfactorily without the existence of London; a fair proportion of the business done by the local brokers originates in the capital, and the prices at which dealings are done are largely determined by London. Yet the local brokers express complete confidence that they can compete easily enough with their big London colleagues. The prospect of a United Stock Exchange, and of the London brokers with their big research organisations opening up locally, it is felt, would bring compensating advantages for the local man. The appearance of the big guns would, it is argued, help to bring more business in for everybody. And the local knowledge of the Birmingham brokers would remain as a major advantage. This, it is pointed out, applies not only to the smaller companies which are centred locally; so many of the national companies have at least a substantial part of their manufacturing operations in the area, wherever their headquarters may be, that the man on the spot can often be closer to the real situation than the analysts in London.

This kind of thinking runs through the whole of the Birmingham financial sector. The inclination is to welcome competition, whether on the Stock Market or in the banking business, in the confidence that anything which improves the standard of local services must be good for everybody concerned. While this attitude prevails, and Birmingham continues to produce energetic industrial and financial entrepreneurs, the opportunities for growth should continue to present themselves.

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BIRMINGHAM VII

The battle for the exhibition centre

By HAROLD BOLTER, Industrial Correspondent

Sponsors of Birmingham's scheme for a £12.5m. National *Exhibition Centre are quietly* confident that Mr. Peter Walker, Secretary for the Environment, will over-rule local objections and announce planning support for the project in the Commons in September. Even if they are right, however, the decision would mark only the start of their battle to get this scheme *for a 1m. square feet centre in* the Midlands off the ground.

The need for such facilities somewhere in Britain is undeniable—a cursory visit to Earls Court or Olympia is enough to make the point. Whether they *should be sited in London*, the traditional home of international exhibitions in the U.K., or in the Birmingham area is more open to question.

The initiative, enterprise and enthusiasm of the sponsors of the *Birmingham scheme, the* city's Corporation and its Chamber of Commerce and Industry, are commendable qualities. But so far they have not been sufficient to win over the support of the U.K.'s exhibition organisers, *92 per cent. of whom* prefer the rival scheme for a £21.5m. centre at Northolt, again of 1m. square feet, which has been proposed by the Lyon group.

Birmingham's argument is that a *conservative, London*-based exhibition industry can be expected to set its public face against the plan to build this prestige centre in the provinces while there is still even the slightest chance that the Gov*ernment can be persuaded to* allow it to be built in London.

There are already indications that a few organisers are prepared to throw in their lot with Birmingham if it transpires that the city's scheme is the only one which *will* be *allowed* to proceed. Others according to the Birmingham view, will jump on the band-wagon later.

This may well be so. For the moment, however, the near-unanimous attitude of the exhibition organisers is that because of their implacable opposition to a centre in Birm*ingham, tenancy bookings would* be unlikely to generate sufficient income to service the capital outlay proposed, unless rental charges were very high. There *would* then be the *danger* that the centre would price itself out of the exhibition hall market.

Members of the Association of Exhibition organisers are convinced that a complex of 1m. square feet of exhibition space is not a viable proposition anywhere outside the London area, although a smaller centre might be.

Their entrenched opposition is the most important stumbling-block facing the sponsors of the scheme for a centre at Bickenhill, in Warwickshire. Otherwise, there is much in its favour.

From the point of view of cost, the Birmingham scheme compares extremely favourably with that for Northolt.

Originally estimated at £11.5m. at 1970 prices, a realistic cost for the Bickenhill *project by January 1972 is* probably £12.5m., exclusive of professional fees, and £13.75m. when they are included.

Birmingham has three other major financial advantages—the city's Corporation *is* prepared to lend £3m. towards the cost of the scheme on favourable terms, a Government grant of £1.5m. will be made if planning permission *is obtained* from Mr. Walker, and the 415 acres of land needed for the scheme have been acquired at a cost of only £480,000.

The cost of the Lyon scheme for Northolt, on the other hand, *is £21.5m. at to-day's prices for* a 1m. square feet centre on a much more restricted site of 140 acres. The Greater London Council has intimated that it will contribute a loan of up to £10m. towards the cost if plan*ning approval is forthcoming.*

This price differential would give Birmingham a useful advantage over Northolt when it is working out letting rates, particularly as the plan is to operate the centre on a non-profit making basis.

Green Belt

It is important, in the context of the need for environmental planning approval *which both schemes demand, to* remember that the Bickenhill site in Warwickshire falls in a proposed Green Belt area only and not in an existing Green Belt however many shades of green the GLC might *think there should be*, such as that confirmed at Northolt.

There are other factors which would make it difficult for the Secretary for the Environment to refuse Birmingham's planning application and approve that for the Northolt scheme.

Birmingham's plans provide for direct access by graded *intersections from four points* in the centre's own car park to major trunk roads and motorways in the area (the centre is extremely well placed near the centre of the motorway network). This arrangement already has the approval of the Department of the Environment's own divisional road engineer.

Despite ingenious attempts to get over the problem, there is much more likely to be road congestion in the area of a Northolt centre, if the scheme goes ahead, particularly on the *A.40 trunk road.*

Birmingham has the edge, too, in the number of car parking spaces it can provide on a much larger site. Initially, its project provides for 15,000 cars but this could be expanded to *as many as 50,000* relatively easily if the demand arose.

Northolt, on the other hand, could cater for only 10,000 cars (together with a two-acre bus and coach terminal) and it is difficult to see how this figure could *be increased* unless the developers built upwards.

One of the charges levelled at the Birmingham scheme is that the city and its environs could not provide sufficient hotel accommodation for the visitors to an *international exhibition.*

The answer from Birmingham is that there are firm plans for 6,000 hotel rooms immediately associated with their scheme and a further 4,000 rooms in the pipeline. The Birmingham authorities argue, too, that visitors to Northolt (with plans for a 600-room hotel on the *site) would find it at* least as difficult to find accommodation in the London area at the height of the tourist season as they would in Birmingham, Coventry and the surrounding Midland countryside.

And if exhibition visitors were determined to spend their evenings in the capital they could get there in 80 minutes from a new station to be incorporated in the Birmingham scheme, and even faster than *that when* advanced passenger trains are introduced.

The level of support for the rival schemes is difficult to *distinguish*, apart *from* the single—and possibly decisive—factor of the exhibition organising industry.

Northolt has the support of the organisers and, probably, a majority of potential exhibitors. The *Confederation of British* Industry, although treading carefully because of its strong West Midland membership, appears to favour a London scheme and so do the British National Export Council, *London Chamber of Commerce*, and most of the major trade associations.

Birmingham's proposals have received tacit support from two Governments of different complexions and from the West *Midlands Economic Planning* Council.

This council feels that the immediate effect of the construction of the National Exhibition Centre at Bickenhill would be an improvement in the region's pattern of communications, which would further enhance its position as the *country's industrial centre.*

This would lead in turn to more business for all services that are associated with the movement of goods and people, such as financial, insurance and factoring services, freight and road haulage businesses and *travel agencies.*

A centre would also create a demand for such services as hotels, restaurants and shops and result in the development of conference centres and the provision of specialised clerical, duplicating, public relations and translation facilities as well as computer services and telecom*munications. There would also* be a direct stimulus to the region's export business.

"The NEC could be a development of the greatest importance, providing employment and encouraging business in itself, but above all acting as the growth point for a range of activities, which are at present under-represented in the region," the Council says.

The Birmingham scheme's sponsors estimate that by 1981 *the centre will have created em*ployment for 2,000 people on a full-time basis and 800 part-time jobs. Additionally work for thousands more would have been provided by the ancillary service developments.

The construction of a centre at Bickenhill would clearly make the West Midlands region less heavily dependent on manufacturing industry and provide more balanced employment.

All of these arguments in its *favour will mean nothing*, however, unless exhibition organisers and participants can be convinced that Birmingham is a suitable place for the centre, and that visitors can be persuaded to make their way there.

The pull of London for tourists is undeniable, despite the counter-claims of Stratford *and the Warwickshire country*side. The capital's entertainment and dining facilities are infinitely superior, despite a number of pleasant restaurants and the occasional bright night spot in the Birmingham area.

Whether these factors would mean that a Birmingham centre could not be made viable, as the *exhibition organisers suggest*, is a matter of opinion. The sponsors of the project, who are providing the capital, are confident that it would not become a white elephant.

Outside New Street Station.

Key role in the export field

By J. C. BEHARRELL Scholefield, Goodman and Sons Ltd.

Birmingham has long been recognised as a City of 1,000 trades, and it is against this industrial background from the time of the Industrial Revolution that many Birmingham export merchants were founded.

During these early days, the export merchant was a true trading pioneer and responsible *for selling and shipping Bir*mingham-made wares throughout the world, with particular emphasis to British possessions overseas which the trader of bygone years did so much to build up.

These "export sales adventurers" did not travel in the luxury of a VC10, but under wind and sail, nor did they have the assistance of the export-salesman's aids of Telex, telephone and cables. It was hard graft, but it was under these conditions that much of Birmingham's early prosperity flourished.

The export merchants had to feed back to the manufacturers information on market conditions and customers' special requirements and the manufacturers' only real interest was to produce the goods. In many *cases, the export merchants had* their own registered trade-mark under which all goods for export were sold.

Worldwide groups

As time went by, manufacturers became larger and transport and communications became more rapid. Opportunities for export merchants working only as export salesmen shrunk and so the merchants modified their operation and concentrated *more on* the financing of overseas trade. To do this, they developed into worldwide groups with strong permanent contacts overseas.

To-day in Birmingham, under the banner of the British Export Houses Association, there are some 15 export houses. They *account for* approximately £75m. of trade annually.

Modern conditions made it less necessary for the merchants to be near the manufacturers and now by far the largest concentration *is* in the City of London. Nevertheless, it has been found that the continuing presence of merchants in the area has its advantages to manufacturers.

The Birmingham Chamber of

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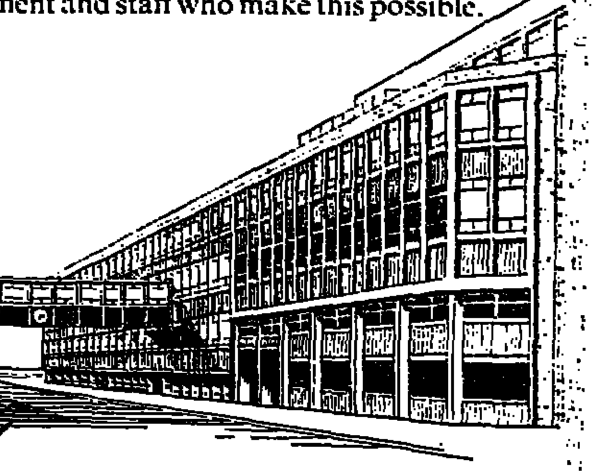
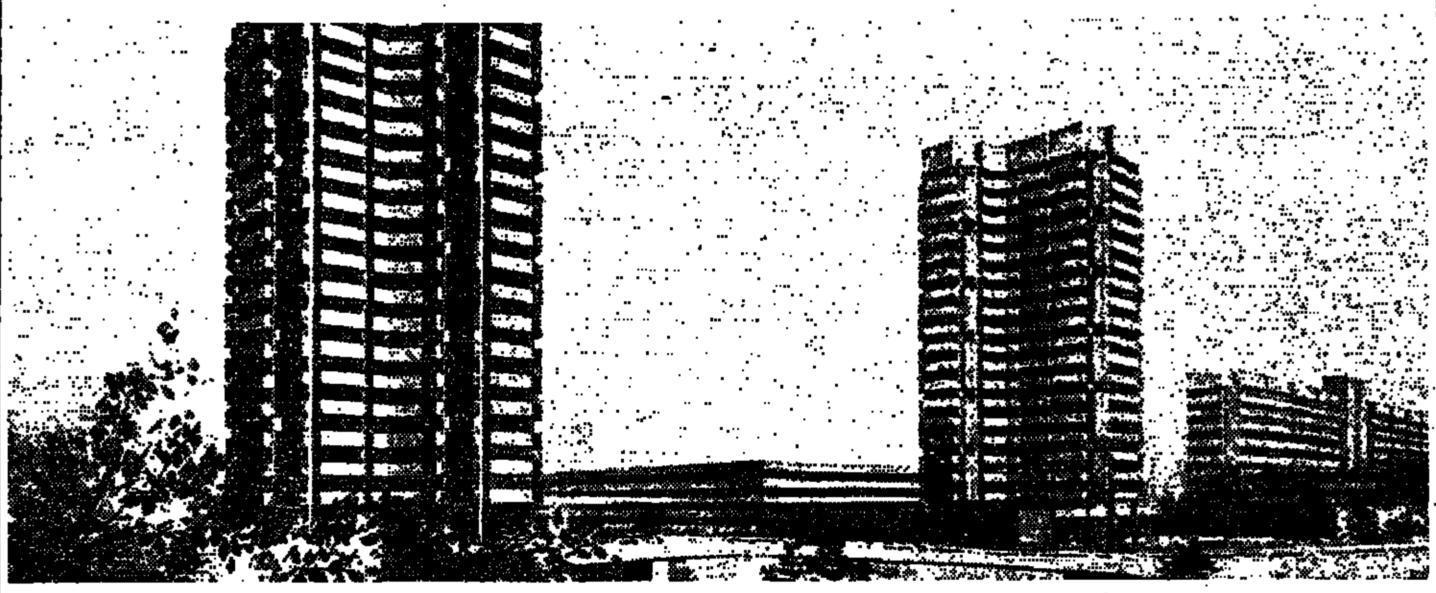


BIRMINGHAM VIII



"Five Ways" offices at Edgbaston, built for Metropolitan Estate and Property Corporation.

Ease of access helps property growth

By JACK HAY

Apart from the importance of industry there are two things attractive about Birmingham. It is the heart of the motorway network of the country; and it has more trees per square acre than any other city in the country. Indeed there is a bird sanctuary only one and a-half miles from the heart of the city.

If you stand in the Birmingham Chamber of Commerce, on one of the top floors, and look to the south you have the impression of a forest.

This is in Edgbaston, and it is the way in which this area has been handled by the Calthorpe Estate which has encouraged so many office organisations to move there. The Hagley Road leads to the M.5 with a link to the M.6. The whole of the Southern side of Birmingham is within easy reach from Solihull in the East round through Hagley and, indeed, to Wolverhampton. The catchment area for staff is enormous. Transport facilities through the local services are also good, and for lunch time shopping there is little time lost between Edgbaston and the centre of the city.

Development of Edgbaston as an office area started with the conversion of large houses. At one time—and not so very long ago—this was the place to live. To a considerable extent it still is, but the houses now being used for families are much smaller; the larger houses have been converted.

Parking facilities

Almost inevitably, with the difficulties of parking in the city centre the larger companies began to look at Edgbaston with ease of access to the city centre and New Street Station, or an across city journey to Elmdon Airport, avoiding the congested Coventry Road. The Chamber of Commerce put up their multi-storey block with parking facilities; Shell-Mex and BP built their building. Now office blocks of up to 16 stories are almost commonplace.

But it has not become a concrete jungle. Careful control has been exercised over development; there remains the pleasant atmosphere of a garden suburb.

The ease with which Edgbaston can be reached from the city centre has been a major factor in the move of offices to this area. An additional attraction is that because of the motorway network and the improved radial roads into Birmingham it is accessible to businessmen who do not want to use—or cannot use—the hotel facilities in the city centre.

As with most large cities, Birmingham suffers from a shortage of hotel accommodation during the week, but hoteliers find themselves with empty rooms at the week-end. However, there is the advantage in Birmingham that Stratford-upon-Avon, Coventry, Droitwich, Worcester, and areas such as Sutton Coldfield are within easy motoring distance, and with good hotel facilities.

Hotels along the Hagley Road, the main route to the South and the West, have their own parking facilities. Those within the city centre of Birmingham have multi-storey car parks either immediately alongside or within striking distance.

But in many ways Birmingham has always been a city which has tended to live outside. The majority of Birmingham people, on a night out, head for the countryside—if you live in the south it is Warwickshire or Worcestershire, if you live in the north it is Staffordshire.

For most business visitors the situation is well known to the companies they represent or the companies they are visiting. Austin-Morris use Droitwich—only a few minutes down the M5—or a modern hotel in Birmingham. Companies in Coventry move between modern facilities there and the more leisurely approach of Leamington, Kenilworth or Stratford.

For Birmingham itself there is anything within a 20-mile radius. There are seven main radial roads into the city, all, in modern terms, capable of carrying an adequate traffic load.

A difficulty which the hotelier in Birmingham and the area has to face is the easy access to London and to Manchester. An executive with business in London may well find it easier to stay in his hotel there, and, if he wants to go to Birmingham to make it a day trip.

Adequate hotels

But if Birmingham can develop—as it is doing—adequate hotel facilities the reverse could apply. It could mean Continental and other overseas visitors flying to Elmdon, staying in Birmingham and making their required trips to London.

The development of industrial estates in and around Birmingham may encourage this. Birmingham must be regarded as a conurbation. Taking the immediate area, Redditch is planned as a new town, and should be linked to the M.1 and to the M.5 and the M.6 under motorway plans, and Tamworth is another expanding town, with a good link to Birmingham and near the M.6 and the M.1. Within Birmingham itself there is Chelmsley Wood, which virtually sits on the Midlands Motorway Link, and there are Frankley and Hawkesley near to the M.5. From these two factory areas, of course, there is easy access to South Wales by the M.5.

Birmingham believes that it is the industrial capital of Britain, and that growth in all the areas of office development, hotels and industrial estates must be encouraged. On these will rest the competitive ability of the area, and, to a certain extent, the competitive ability of the country.

Around one-third of the Birmingham office population is located in an area of about one-and-a-half square miles in the centre of the West Midlands conurbation. Rentals are at £1.12 to £2 per square foot in the city centre. But with the growth in car population parking must be taken into consideration and the easier parking facilities in suburbs such as Edgbaston are a great attraction.

The proposed National Exhibition Centre could have a considerable influence on the development of hotels, offices and industrial estates.

Apart from the hotels in the city centre, the main accommodation is along the Hagley Road. This is within easy reach of New Street Station, but it is on the south-west side of the city whereas the proposed National Exhibition Centre is between Birmingham and Coventry on the east side of the city.

There are approximately 6,000 hotel bedrooms within 20 miles of the N.E.C. Developments are likely to provide another 4,900 rooms of good quality. The total compares with Frankfurt with 10,200 beds, Hamburg with 12,000 beds and Munich with 18,000 beds.

But it is anticipated that new hotel projects will be announced as the N.E.C.'s construction progresses.

Exports — *(Cont'd.)*

Continued from previous page

Commerce and Industry presents an ideal focal point for views and comments to be exchanged between the local export houses and manufacturers. Executives of export houses are represented on the chamber's overseas Section Committees and such executives have been active in their participation on Chamber of Commerce trade missions and have, in fact, been chosen to lead missions because of their experience of the markets and their contacts with a wide variety of industries.

The modern form of export operation falls into two divisions. On the one side there is the export management company, acting specifically on behalf of the Birmingham manufacturers, and on the other, the confirming and buying house operating on behalf of the overseas importer.

The export management company offer to their clients a complete export service, including selling, documentation and finance which can relieve the manufacturer of the necessity of having his own export department. Many of the smaller companies have found this to be a great advantage to them because they have access to the specialised knowledge of the export house without having to pay for all the overheads which acquiring such knowledge entails.

This area of export specialisation by trading houses, is very predominant in both Japan and Germany who are among the world's leaders in export. In the U.S. under the heading of "combination export manager" there is considerable expansion with a particular emphasis on trading with South America.

Confirming houses

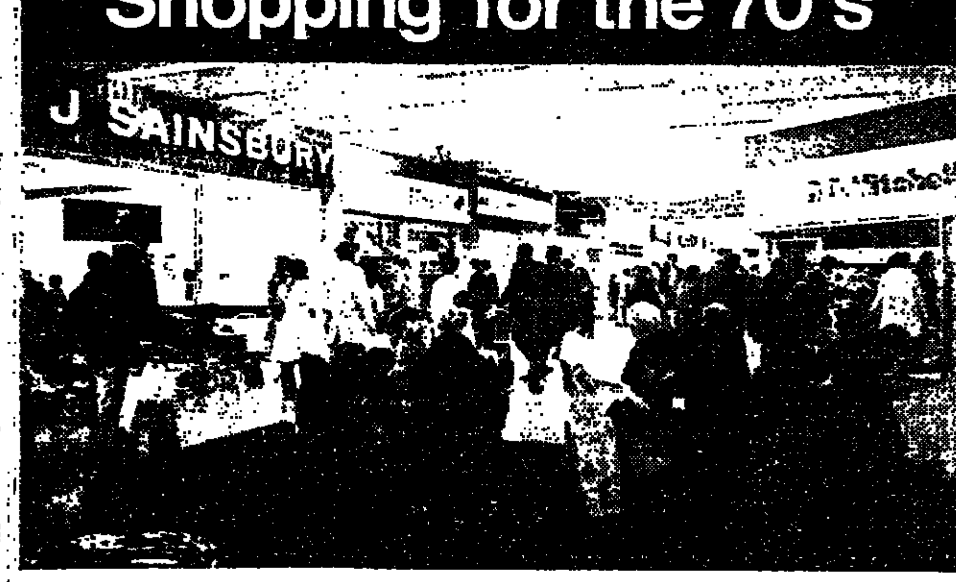
The other major role of modern export houses is that of confirming. This has always been a mysterious operation to the layman, but basically it is very simple. The confirming house acts as an intermediary between the overseas buyer and manufacturer wherever they are situated. The confirming house guarantees the manufacturer that after he produces the goods, he will be promptly paid. It is then up to the confirming house to grant the overseas buyer the credit that he must have in order to land the goods and prepare them to sell in his own country.

This may seem, at first sight, a very simple operation but as the service now extends throughout the entire world, including East European countries, the confirming house must be familiar with all the local regulations governing finances and the import and export of goods.

It has been argued in the past that the British confirming house, financing the export of goods by a foreign competitor of British industry, may be doing active harm to the country, but it must be remembered that British confirming houses have to compete with their opposite numbers in other countries. It is because of the confirming houses' expertise and integrity which has been developed over the years, that enables Britain to earn foreign exchange. It is common practice to see, under the conditions of sale by foreign manufacturers, under the terms of payment—"Payment to be effected by confirmed irrevocable letter of credit or through a British confirming house."

The profits that the confirming house makes over these transactions go to swell the country's invisible exports without which we shall never be able to produce a favourable balance of payment and, in fact, it has been calculated that for every confirming house employee, there is earned about £2,000 in foreign exchange.

In conclusion, it should be pointed out that the U.K. is the second biggest earner of invisible earnings in the world and has produced an annual surplus for the past 180 years which is equivalent to over half of Britain's import bill. Birmingham can be truthfully said, has truly played its part.



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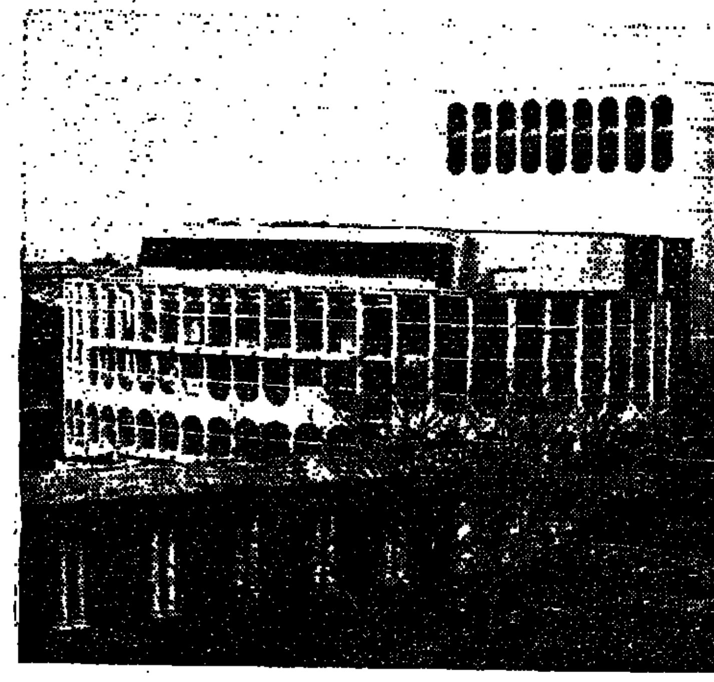

The Birmingham Repertory Theatre.

Unions review their function

By BRIAN MATHERS, Regional Secretary, Transport and General Workers' Union

While there are more enlightened, forward-looking managements in Birmingham than there used to be, there are still too many lagging behind in manpower planning and industrial relations generally.

The changing face of industry, the growth of companies into bigger and bigger units, the economic climate and the changing social patterns of the city all serve in their various ways to contribute to the opinions and attitudes of organised workers towards the current industrial scene.

Company growth

The present economic climate has incurred many reactions *which serve to confirm the* viewpoint that the nation gets the industrial relations that are created by the circumstances in which the workers operate. The growth in the numbers unemployed has, for example, incurred an attitude towards productivity bargaining and in my own union there is little likelihood that productivity deals will be accepted where it is considered these will add to the numbers already unemployed.

The amount of *overtime being* worked is also the subject of close scrutiny and workers' representatives are now demanding a greater say when it comes to deciding whether or not overtime is to be worked. The general economic climate is the dominating factor which has inspired this attitude and, unless the economy is quickly expanded, I predict that despite the monetary provisions of the Redundancy Payments Act and Earnings Related Benefits a number of battles will be waged in opposition to redundancy. The provision of severance pay becomes less acceptable when *redundant* workers are faced with long-term unemployment.

There are far too many managements who fail to take account of the factors which make for orderly union/management relationships. The growth in the size of companies has brought about a position where the workers' contribution, particularly in the highly sophisticated technical process, is fast becoming that of a very small cog in a bigger and bigger wheel, and there is a tendency on the part of some managements to disregard the fact that workers can easily become discontented when they are treated like mice on a treadmill. Unless management are prepared to consult and seek agreement on factors which affect the well-being of their work force they *will get the industrial relations* which they have created.

There is a growing trend amongst many managements to seek ways and means of eliminating factors in their wages structures which heretofore provided the medium for meaningful agreements. The whizz kid consultancy organisations have sold many managements the *idea that all will be well if they* change the wages structure. The piecework system, still the most generally accepted form of payment in the majority of engineering establishments in the area, is held up as the bogy and the desire that many managements have to replace it, either with a system of measured day work or some other sophisticated alternative, ignores the fact that any wages system which is rigorous in its application to a point where there is little to consult and agree upon is doomed to failure.

Inflexible system

In this age of rapidly changing techniques, where problems arise daily, there is no room for the inflexible payment system which makes no provision for workers to be consulted and to arrive at an agreement on acceptable standards. Systems of this character will find little favour with trade unionists whose background has been conditioned through the medium of shop floor agreement on what will be done for how much.

There is a great deal which needs to be done in the way of *improving the climate* of industrial relations at the grass roots. Procedure agreements in many industries are not capable of *producing results which satisfy* the needs of the domestic bargaining which takes place at factory level. Often the fault lies in the fact that management decision makers do not enter the bargaining arena until after the factory bargaining arrangements are exhausted. In the belief that the best bargains are made with those who have to operate them, I consider that managements who protract the solution of their differences with the union by using procedural steps outside the factory, lose a great deal of the goodwill which can accrue from making bargains directly with *the shop stewards.*

Shop steward

The role of the shop steward has undergone a major change; especially this is the case with the decentralisation of wage agreements. Bargaining at the point of production is a replacement for the centralised wage system and to meet the growing importance of shop floor agreements there is a need to equip shop stewards with the wherewithal to cope with the greater responsibilities which the decentralised sytem demands. For far too long the facilities provided by some companies have been totally inadequate. The needs of the situation demand facilities to enable the shop steward to consult his members on occasion during working hours in order that *they are fully* acquainted with the terms of any proposals which might lead to alterations or changes in working practices or conditions. The framework of a good working relationship between both sides of industry must recognise that the shop *steward* is the union bargaining agent. He cannot function in a way which is conducive to a good relationship if he is severely restricted in the way he does his job.

Fortunately, the attitude of management is beginning to change and agreements have been concluded between the TGWU and a number of local employers which make provi*sion for the proper training of* shop stewards and educational courses have been arranged by the union which are designed *to assist the shop steward in his* day-to-day role as a negotiator. The most important of these agreements was recently con*cluded with the West Midlands* Engineering Employers' Association. In substance, this agreement makes provision for the union to arrange and conduct the education course and the Association have recommended their member firms to let stewards have paid time off to attend.

Research facilities

The union has set up an Education and Research Department in the Midlands Region to cater for the demand for courses, and in the months and years ahead a great deal of time and effort will be directed not only in arranging the long-term educational programme but in backing up shop stewards with research facilities and information to enable them to fulfil their role as grass-roots agents of the union whose responsibility extends to fashioning the wages and conditions agreements on behalf of the members at factory level.

There has been a significant growth in the numbers of workers who have been recruited into unions in the past few years. The field where this has been most marked is among *staff workers. The Administrative*, Clerical, Technical and Supervisory section of the TGWU is the fastest-growing of all the union's separate trade groups and it is here that the new unionism is forging agreements and forming new committees to cater for the influx of staff and supervisory workers over the whole range of Midlands industry. The expansion in this field has been most marked in larger offices and staff workers, who until recently have been reluctant to join unions, are now playing a major role within the union and are demanding salaries and conditions agreements to replace what was often a grace-and-favour method of fixing the level of remuneration.

It is expected that the influx of staff workers into the union will continue to gain ground and a great deal of specialist attention is being given to this field. Employer resistance is rapidly being overcome and the development of industrial relations in the office is occupying the attention of both sides and it is hoped that the experience of developing a working relationship among industrial workers has taught management the lesson that resistance to union organisation is the first step on the road to future difficulty.

Managements hope for greater stability

By C. V. D. WILLIS, Chairman, West Midlands Engineering Employers' Association

The role of management in Birmingham, as elsewhere, is becoming progressively more exacting arising from three main factors — economic pressures, technological changes and the claims and expectations of the labour force.

Economic pressures make it essential for managers to be cost-conscious and productivity minded to a much greater degree than ever before. When faced with claims for higher wages, companies are finding it more difficult either to absorb the additional costs or to pass them on to their customers. Although the term "productivity bargaining" is much less fashionable than it was, the concept of offsetting higher wage costs by means of improved effectiveness in company operation is still very much an essential requirement.

The analysis of costs and a determined attempt to improve productivity, demands from managers both the ability to diagnose and analyse problems and an understanding of the variety of management techniques available to cope with these problems. Large firms can usually meet these demands either from within their own *management* resources or by the engagement of outside specialists. The difficulty for the smaller companies is that their very *limited number of* line managers do not possess the necessary specialist management techniques nor can they *afford to employ outside experts.*

More competition

The increased rate of technological change brings with it the challenge of stronger competition. It is increasingly necessary therefore for managers to keep abreast of technical innovation and to be capable of planning changes in their own firms. To be successful, such planning must take into account the industrial relations problems which may result from these changes and the need for manpower planning and retraining throughout the establishment.

Furthermore, increased mechanisation and automation means that many more jobs are now becoming repetitive and boring so far as the operators themselves are concerned, and this means that management have continually to consider ways and means of trying to retain job interest.

But it is in the field of industrial relations where, because of claims and pressures from the labour force, most changes have *taken place over the past one* or two years. These pressures come from two main attitudes, first a desire by the workers to *improve their standard of living* — and in the face of the continual rise in the cost of living this is a major and understandable factor. *Secondly, they* want a greater say in decisions affecting their working lives—and with a progressively better educated and more *informed* work force as a whole, this again is an understandable and indeed a healthy development.

Two additional factors have also had a marked influence on the scene. First, is the spread of trade unionism, especially among white collar workers, coupled with the increased power and militancy of the trade union movement as a whole. Second, is the introduction of Government legislation covering contracts of employment, redundancy payments, industrial training, race relations, equal pay for women, and now the imminent Industrial Relations Act.

All these factors, closely related and to some extent working together towards common aim of improving lot of the individual work have forced managements adopt new attitudes in the field of industrial relations. Management's role has become intuitive and more analytical and professional; less rigid more responsive to change; above all, less authoritarian much more concerned with involved in establishing working relations with employees. This realisation of need for involvement in industrial relations from the highest possible level of managem downwards is perhaps one the most marked changes which has occurred in recent years. The need for this involvem was first highlighted in Donovan Commission Report and now it is the cornerstone the Government's Code of Industrial Relations Practice:—

"Management has the pr responsibility for good industrial relations, should take initiative in creating maintaining them and acc the same degree of respo bility for industrial relat as for finance, marketing production."

Continued on next page.

BIRMINGHAM X

Growing impact of local radio

By J. L. JOHNSTON, Manager, BBC Radio Birmingham

Every afternoon the Birmingham and Western Stock Exchange report comes over Telex from the Stock Exchange in the city centre to BBC Radio Birmingham's newsroom in the new BBC complex in Edgbaston. It is broadcast at 6.45 p.m. together with a summary of Midland and national business news, and the London Stock Exchange report (not forgetting the Financial Times Index).

Radio Birmingham's fifteen-minute Business News was a priority when deciding upon programme schedules. In all the years of regional broadcasting it had never been possible to reflect the daily business and commercial scene of Birmingham and the West Midlands.

Business firms, used to supplying information to newspapers, found it hard to believe that Birmingham's new radio station also wanted the news of their profits, losses, sales successes and Board changes. But Universal News Service of London from the start gave a daily teleprinter service that kept Radio Birmingham's Business News right up to the minute.

To-day, eight months after the station's first broadcast, that service runs in parallel with our own business contacts, letters and information from companies and close relations with the Birmingham Chamber of Commerce and other trade organisations. Of course, when (and if), Birmingham gets the National Exhibition Centre, Radio Birmingham will start to rethink its business news service. What is to-day one fifteen-minute programme on business will become an updated service broadcast regularly during the day, and (we hope) from a radio studio in the new centre.

Foreign visitors

For the many more foreign visitors that the centre should bring to the West Midlands we plan to broadcast brief items about what's on in the Birmingham area in French, German and Italian or Spanish, including news of events and fashion shows.

When we come to increase the Business News programmes they will have to be slotted into a schedule that already contains five other fifteen-minute news programmes, as well as news summaries and five-minute "Newsroom" round-ups. Three of these main news programmes are broadcast before 9 o'clock each week-day morning. Radio Birmingham starts broadcasting at 5.30 a.m. (in competition with Radio 2), and earlier than any other local radio station in England. Our broadcast area includes Birmingham, the Black Country, Wolverhampton and Coventry. More than 3.5m. people live in this conurbation, and a lot of them get up early. So national and local news is heard at 6 o'clock.

If you ask what evidence we have that people are listening at that time, you are invited to sit in on our telephone switchboard and take the calls the next time our transmitter doesn't happen to work at 5.30 a.m.!

News, however, is not all that Radio Birmingham broadcasts. Recently broadcast was a two hour performance of "The Dream of Gerontius" from the Oratory Church in Birmingham, and music of all kinds has a growing place in the programme schedules. There are pop, light and classical music programmes. Much of these are on records; but there is a monthly Folk Club with groups in the studio, and if all goes well we will have more live and recorded material by local musicians in the future.

News bias

But there is no denying that Radio Birmingham's general output has a strong bias to news and current affairs broadcasting. We live in, and broadcast to, an area in which a great deal happens every day—in politics, business, local affairs and industry. There is never any problem in filling our bulletins. Rather the daily headache is the selection of what can be covered in detail, not only in Birmingham, but in the Wolverhampton area and Coventry. To improve our coverage in both of these places we are appointing Radio Birmingham staff men to live and work there.

Most other programmes tend to have this news and topicality outlook. The "Performance" programme reviews current plays, films, with music performances; "Theatre Club" discusses this week's amateur shows with the cast, producer and local critic; "Talk It Out" picks a subject from the day's news and has three or four of those involved around the studio table a couple of hours later.

If there is one thing that local radio has proved beyond doubt it is that you don't need two or three days to organise a topical feature or discussion about a burning local issue. You need to know how to use a telephone and good contacts a qualification for every good newspaperman.

So what is the role of a local radio station broadcasting to a sizeable proportion of the whole population of England? It isn't easy to find one single factor that gives our "patch" a community of interest. Wolverhampton, Coventry and the Black Country tend to be suspicious of Birmingham's intentions and ambitions. Birmingham now sees itself as a great (which it is) and outward looking city. The initiative which got the whole project of the National Exhibition Centre going is indicative of the new mood.

There is now a permanent Birmingham Conference devoted to promoting the image of the city at home and abroad. There are active links with Frankfurt, Lyons and Milan. The Germans already take this seriously. The Frankfurter Allgemeine Zeitung carries a regular feature on Birmingham life and times. Radio Birmingham's International Club reflects the foreign contacts of the whole area, and life in Birmingham's twin cities is something we might look at too.

At the moment the city is getting excited over a plan to run a Grand Prix Road Race round the city centre. This will need a Bill through Parliament, and Birmingham has few doubts this will go through.

All views

All of this and more it is Radio Birmingham's job to reflect, not only in our daily news schedules but in promoting argument and discussion reflecting all points of view. But we are not just the voice of Birmingham. As the "Heart of the Nation" station it is also our brief to broadcast the views of Birmingham's neighbours. This is another reason for putting our own men into Wolverhampton and Coventry, so that we have our ears closer to the ground in these lively places.

The plain fact is that much of what happens in these three main centres of Radio Birmingham's broadcast area, especially in industry, is of intense mutual interest. In a way one unifying

Continued on next page.

Managements— (Cont'd.)

Continued from previous page

Reverting to the subject of claims and demands from the labour force, although over the last two years the number and size of these claims have reached unprecedented proportions, the general pattern of disputes arising out of these demands has remained unchanged for many years. In federated engineering firms in the West Midlands about 60 per cent. of all disputes relate to claims for more money, about 30 per cent. relate to working conditions, and the remaining 10 per cent. arise from miscellaneous causes. It should be noted that while disputes arising out of dismissals are invariably given wide publicity and much propaganda use is made of them by the trade unions, in fact the incidence of these disputes, certainly in federated firms, is very small indeed. For instance, out of a total of 647 cases taken through the engineering disputes procedure in the West Midlands by both manual workers and staff unions in the first six months this year, only 18 issues related to dismissals and three to suspensions—together only 3 per cent. of all questions raised by the unions.

Closely connected with the question of claims and disputes is the incidence of strikes and other industrial action taken in support of these claims. Since 1968, these have increased in the West Midlands at an alarming rate and reached an all time high for the industry of just over 700 incidents in the first six months of 1970. Since then however, there has been a most marked and welcome fall; 367 incidents were reported in the last half of 1970, a fall of nearly 50 per cent. This downward trend has continued into 1971—in the first six months 284 incidents were reported. Factors such as unemployment, redundancies, many companies going out of business, the Government's stand in the public sector, the stand taken by a few well-known large companies in resisting exorbitant wage claims have all undoubtedly contributed to this downward trend. At the same time, the effect of the emerging awareness and involvement of top management in industrial relations affairs should not be discounted as another major contributory factor and one which should gradually assume more importance and have an ever greater effect on the industrial relations scene as time goes on.

National agreement

Alongside the changes which have taken place in the role and attitudes of management, a similar change has taken place in the West Midlands Employers' Association. Traditionally the work of the Association has centred around the handling of disputes through the national procedure agreement—essentially a defensive "fire fighting" role. While this still accounts for the major part of the Association's work, a much more positive and forward looking role is now being adopted by the Association, not only by the normal industrial relations staff but also by additional specialist staff in the fields of productivity and manpower planning, training, health and safety, statistics, and legal matters. These extra advisory services are of particular use to small and medium size firms who for obvious reasons cannot afford to employ their own specialists in all these areas.

However, the essential aim of the Association's work remains the same, the establishment and maintenance of good industrial relations throughout the whole membership of 750 firms. The Association is now attempting to achieve this by giving advice and practical help to companies before rather than after troubles and disputes have broken out.

Close relationship

One essential factor in the work of the Association is the relationship which exists with the local trade union officials. Strikes and action taken by union officials in support of these strikes on behalf of their members invariably receive headline treatment in the Press and on radio and television. Little or nothing is ever heard about the constructive efforts put in by these same officials in trying to iron out the many day-to-day difficulties, problems and minor disputes which take place on the shop floor and in the office but never reach strike proportions. A very close working relationship exists between the trade union officials and the Association's staff, and this understanding and respect for each other's problems is a great asset not only when trying to settle disputes and troubles at individual plants but is also a major factor in the maintenance of good industrial relations in the area as a whole. Furthermore, with the advent of the Industrial Relations Act and the very real possibility of there being no national procedure agreement for the industry, the need for this close working relationship and mutual understanding between the officials of the two local organisations will assume even more importance than at present.

Lastly, there is the question of training. With all the changes referred to above taking place, training and further re-training at all levels has become an essential requirement for the industry. The Association's Training Centre at Malvern specialises in providing short, intensive courses for supervisors and managers in industrial and human relations subjects, with the object of improving the skills of communications, negotiation and decision-taking. The emphasis is on the practical rather than the academic, and the aim is to fit supervisors and managers to cope with the process of change taking place in their factories.

A more recent development has been the involvement of the Association in shop stewards' training. This has the object of ensuring that both parties to negotiations are familiar with modern industrial relations' concepts and techniques and, in effect, talk the same language. Training programmes have been devised in collaboration with various unions and recommended to Association members. In some cases, special shop steward "in-plant" courses have been run jointly for the management and unions, a successful balance of course content being achieved by the combined participation of management, Association and union officials. Both sides of industry now recognise the training of stewards as an urgent requirement and this form of training is likely to increase greatly in the next year or two.

There are hopeful signs that the flood of exorbitant wage and salary claims in the industry, together with the incidence of strikes and other industrial action taken in support of these claims, is beginning to ease off.

Although the unions are at present fighting the Industrial Relations Bill on every front, there is no doubt that it will become an Act of Parliament later in the year and in the long term the unions are likely to accept the beneficial effects it will have for both sides of the industry on the industrial relations scene.

These factors together with the enlightened changes taking place in management generally in federated firms as previously described leads one to hope for a period of more stable industrial relations in the mid-1970s as compared with the past two years. However, the transition to this more "peaceful" era is not going to be an easy matter.

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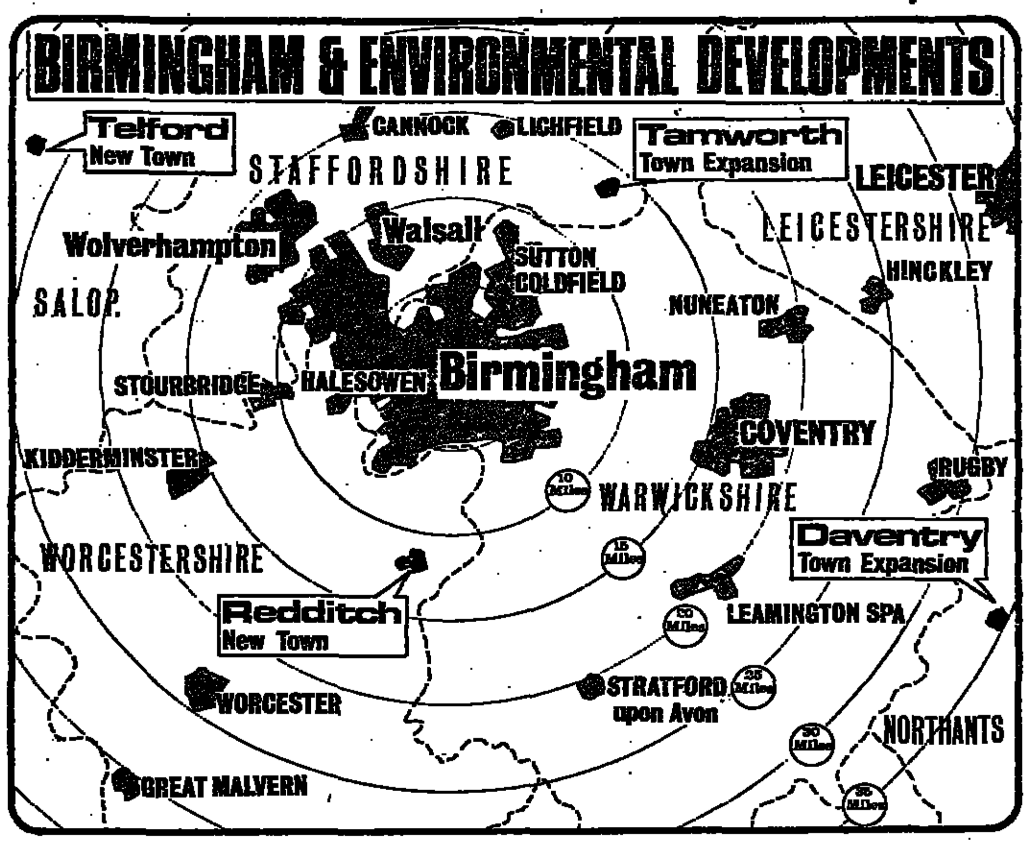
BIRMINGHAM XI

Lukewarm interest in new towns

By WALTER STRANZ, Secretary, Midlands New Towns Society

Few cities have been more aware of the need for a radical solution of their housing problems than Birmingham. Yet its attitude to the new towns has always been ambivalent. It is perhaps best described as a love-hate relationship.

This originated in the mid-1950s when the Government was pressing the City to solve its housing problems by concluding *overspill agreements with Midland country towns* under the Town Development Act of 1952. Birmingham's civic leaders thought this left the City at a financial disadvantage, and clamoured instead for a new town. New towns being government financed would, it was thought, cost the ratepayer less.



Designated area

When, however, the Government at last gave way and designated Dawley as the first Midlands New Town in 1963, Birmingham was not entirely satisfied. One reason was the site and nature of Dawley. It seemed more suitable to serve the needs of the Black Country than of Birmingham. And though the designated area contained the cradle of the Industrial Revolution—Coalbrookdale and Ironbridge—it seemed to be dying industrially in the 20th century. There were doubts whether the New Town could fulfil the dual purpose of resuscitating an ailing local economy and housing Birmingham's surplus population.

Moreover, a fear grew among councillors that the export of population coupled with the dispersal of industry would deprive Birmingham of its status as "Second City." It is perhaps psychologically unfortunate that Birmingham's population figure should have been so close to the status symbol of a million!

Thus alongside this pressure for new towns a policy of peripheral expansion of the city was pursued. Most notably and most unsuccessfully this was applied in the Wythall area, where successive Ministers turned down Birmingham's applications four times.

Meanwhile a second New Town was designated in 1964 at Redditch, a small but thriving industrial town which had conducted abortive Overspill negotiations with Birmingham for 10 years. But Birmingham also obtained permission to develop a vast suburb in the Green Belt at Chelmsley Wood. At the same time changes in the Housing Subsidies introduced in 1965 made Overspill agreements under the Town Development Act more attractive than they had been before.

In the mid-1960s, therefore, Birmingham's housing policy followed two contradictory philosophies. There were four major expansion schemes in towns situated strategically north, south, east and west: the new towns of Dawley and Redditch, the locally controlled town development at Tamworth, and the Birmingham controlled development at Daventry—supported by smaller town developments at, for example, Droitwich and Lichfield. All these followed Abercrombies's classic planning theories—limitation of the conurbation's sprawl, insistence on a Green Belt and the creation of growth points beyond it.

At the same time, however, Birmingham built up the remaining open land inside its boundaries, and pressed for development beyond these, both in North Worcestershire and North West Warwickshire. This threatened to breach the Green Belt and engulf the ring of satellite towns within the conurbation.

Naturally these divergent views came to be reflected in local politics. The leader of the controlling Conservative group, Sir Francis Griffin, is being regarded by the surrounding counties as a man of almost unlimited "territorial ambitions." His Labour opponent, Sir Frank Price, became chairman of Telford Development Corporation, when Dawley New Town was enlarged and renamed Telford in 1968, and clearly *favoured a regional solution* rather than City expansion. Though the party leaders are committed, there is considerable ambiguity on these issues among their backbenchers.

Overspill sites

What has all this meant in practice for the new and expanding towns? They have never received the same wholehearted support as the London new towns obtained from the GLC. There are frequent complaints that Birmingham gives priority to filling its own expensive new houses on the fringe estates over making nominations for the Overspill sites.

Despite any lukewarmness of City support, the achievements of the new towns are considerable. The accompanying figures for houses and industrial premises speak for themselves.

December, 1970	Redditch	Telford
Houses	2,091	2,237
Industrial floor space	1,176,055 sq. ft.	982,650 sq. ft.

A study made of the first 1,400 houses let in Redditch showed that 70 per cent. of them went to Birmingham families and another 5 per cent. to families from the rest of the conurbation. Birmingham people are clearly voting with their feet in favour of new towns.

What is their attraction? In general, of course, the new towns follow the trend set by owner occupiers who move out of cities into commuter belts. The new towns' rented houses now give tenants a similar opportunity (though 50 per cent. of their future output is to be for owner occupation).

Second, the new towns offer advantages over commuter settlements. They seek to match the growth of population with an equivalent growth in employment. Thus, a Birmingham tenant living on a fringe estate like Chelmsley Wood will pay a similar rent in Redditch or Telford, but local employment brings considerable savings on journey-to-work costs. Further, all building in Redditch and Telford has been low rise, and this offers an escape route to the refugee from Birmingham's multi-storey flats.

The attractive infrastructure of the new towns must also be given credit. For example, the policy of planting trees and shrubs before houses are let in Redditch compares most favourably with Birmingham estates where planting lags years behind. *The dual use of Telford's* new comprehensive school as a major community centre has no equal in the City. Both new towns offer completely safe access to primary school children by footpaths linking home and school. There are pioneering ventures ranging from Telford's interdenominational pastoral centres to the Redditch "busways," the first section of which will soon become operational.

Main factors

The major question mark hanging over the new towns is whether enough jobs can be created in the present economic climate to match the growing population. In Birmingham a vociferous campaign against Industrial Development Certificates has recently gained support in view of the worsening unemployment situation. But the new towns regard IDC's as a great help in channelling industry to them. It is worth noting that the new towns' un*employment percentages have* remained below the regional and national averages.

Four main factors seem to *contribute to this relative prosperity*. Some big firms, such as Halfords, have in fact moved from the conurbation. The remarkable success of small firms, some of local origin, that are growing and prospering in advance factories both at Redditch and Telford is less well publicised, but equally significant. Moreover the two Development Corporations are exploiting the special attractions that new towns offer to warehousing and to office employment for which there is great growth potential in the West Midlands.

Finally there is the psychological factor. Oscar Hahn, chairman of B.K.L. Alloys, one of the big firms that has moved out, recently summed it up thus: "*Firms which move to new* towns seem to prosper more than they would have done if they had stayed in their old buildings. This is probably because it is usually people with enterprise who move. It is also probably due in some measure to the fact that movement itself means change, and change breeds expansion."

Future health

On industrial dispersal, there*fore, just as on housing policy*, the challenge of the new towns is a catalyst for Birmingham's approach to the future. The new town and Green Belt approach sees a new important role for the City—that of a regional *capital. To clamour instead for* the old parish pump values of peripheral housing estates and internal industrial growth, regardless of the regional context, is to ignore the economic and planning strategies on which *the future health of the City and* Region depend. Can Birmingham rise to this challenge?

Local radio — (Cont'd.)

Continued from previous page

factor is the whole area's immense dependence on the car industry. This certainly makes it nearly impossible for any town to be an island entire of itself. A strike of employees in a factory making one item can shut down an entire car plant.

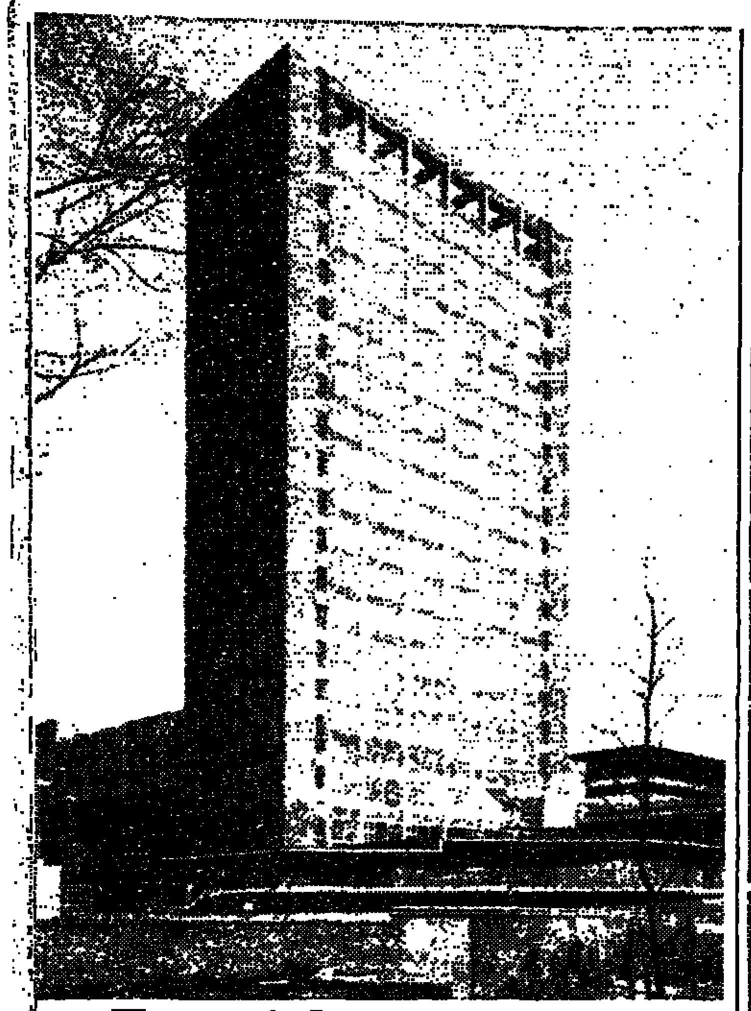
After only eight months' broadcasting, and with the problems of a restricted VHF only audience, it would be foolish to make extravagant claims. But impact there is, and it grows daily. The morning postbag is sufficient evidence.

The experience of starting Business News from scratch was common to many programmes. Now, people with something to say have realised that there is, in local radio, a new medium with time available through which their ideas can be heard, and where they can voice *criticism of authority*.

Medium wave

The real breakthrough will come with the allocation of a medium wave, and the possible audience of the huge car-owning *public in our area. The newest* programme, "Home James . . ." from half-past four every weekday afternoon is aimed at that audience, and will soon run up to our main news of the day at a quarter to six.

Of course, it seems that by the time we get medium wave commercial radio will be upon us, with the possibility of up to four commercial stations in Radio Birmingham's broadcast area. So far, to say the least of it, there has been some reticence about their plans. *However, no doubt plans are* being made. Ours are as well.



BIRMINGHAM XII

Summer on the Birmingham University campus

Providing a management education for the experienced

By MICHAEL DIXON, *Education Correspondent*

To look at the big suburban house in the Birmingham suburb, you would not think it was one of the very few educational institutions from which you can take a university master's degree, without getting a bachelor's degree or the equivalent beforehand.

The title of the house in Wake Green Road, Moseley, is the Graduate Centre for Management Studies. It is an unusual institution in another respect. It was set up by co-operation between two universities—Aston and Birmingham—six years ago. To-day the two universities are not sure whether *they want to go on co-operating* in the same form any longer.

Aston's domain

Although the centre was formed, Aston has kept a variety of management education within its own domain. This includes courses for diplomas, and bachelor's and master's degrees, as well as the often praised Small Business Centre.

Birmingham University also retains a variety of activities related to management. It has a bachelor's degree in commerce, an Institute of Local Government Studies and an Institute of Engineering and Production. The latter is connected to the Department which runs master's degree work in engineering and production.

However, Birmingham has transferred responsibility for its former Master of Commerce degree entirely to the Graduate Centre. This is still a Birmingham University degree; the management school has no power to award degrees.

That was not the starting point of the centre's work. "When we began we decided to do something that was not done by either of our parent universities," said Mr. Leonard Minkes, director of the centre. "Other graduate schools had gone for three-month courses for middle managers. We went for a six-month residential programme."

This Advanced Management Course started with six students. Now it attracts about 20 each year, including people from overseas.

"We put experience and ability first when we're selecting students Paper qualifications are secondary. We're pretty bucked with the people we get.

"Another distinctive feature for a post-experience course like this is that we have a system of continuous assessment over the six months, and an exam at the end, and we award the successful people a diploma. We feel that even older managers who become students again—the *bulk are between 27 and 35*—need to be put to some personal test, it gives them extra motivation to study."

Mr. Minkes tried to look stern. "I'd say they value the testing, even if they don't like it." His headmasterly pose dissolved. "Actually, companies who send people here don't seem to set much store by their test results," he added.

At first, the Advanced Management Course stressed mathematical techniques. The director, a 47-year-old economist, says that the AMC is more evenly balanced now, which means more emphasis on finance and marketing and greater flexibility to suit the individual students. There is much case-study work, but not the dreary monotony of *ageing American cases*. At one point the students have to write a case themselves, based on their own experience.

Postgraduate work

After 1966 the centre started to extend its activities. It branched into postgraduate work as well as expanding its post experience side.

Three years ago it started a six-week residential course for senior managers. This has places for some 20 people each year, and *they are usually aged* 40 or more. The aim is basically to give the senior managers a sense of what is available in the management sciences, and to enable them to make worthy use of younger people who have studied on longer management programmes.

"Then we began to surround these residential courses with shorter efforts, from about a week to a month long," Mr. Minkes said. "We provide them for specific industries, and do tailor-made jobs for companies. We've been careful, though, not to stray too much on the ground covered by our parent universities' shorter courses and seminars.

"Altogether, the post-experience side has had valuable results. We don't just get businessmen. People come from Government Departments and from the Hospital Service. As a result we've been asked to develop programmes for hospital administrators and nursing staff, and the Department of Health and Social Security has given us a grant of £25,500 to cover a three-year research project.

Any area

"We find that the things this centre is interested in can be applied in any area where resources have to be allocated—and that amounts to almost everywhere."

Although the centre began to teach students for Birmingham University's Master of Commerce degree some years ago, it did not take over full responsibility for this postgraduate programme until 1969. The course is heavily oversubscribed by young people, generally aged between 21 and 23. The post-experience Advanced Management Course can cater for only a small share of its would-be students, but the percentage of applicants for the "normal" master's course who manage to win a place and get grant support is smaller still. There will be from 12 to 15 students on the one-year Master's programme in 1971-2. The uncertainty is caused by the difficulty aspiring higher-degree students are now having in obtaining financial support.

"Then, around 1967, a major innovation occurred to us," Mr. Minkes declared. "We gave a diploma at the end of the six-month middle-management course. And some of the really successful diploma men said they would be interested in going on to a master's degree, if that were possible. We thought 'why not?'. Then we though 'isn't this just the passion for another official piece of paper?'. Then we thought 'we can make sure that they get much more than a piece of paper'.

"So we decided to devise ways by which somebody who does well in the diploma could then add a master's degree. What happens is that when they finish the AMC course, they continue under our supervision into a project on a real management problem which applies to their work. There is no formal limit on the time they have to complete the project and be assessed for a degree, but if they took longer than about 18 months after getting the diploma I doubt whether we should expect them to get the degree.

Project work

"There are other diploma courses that lead to a degree by project work, of course. But ours is rare in starting from a post-experience programme and accepting a good diploma result as an entrance qualification."

The fee for continuing to the M.Comm. degree is only £35. *This contrasts* with the charge for the previous AMC programme—admittedly paid usually by the student's company—which, including residence, is now £1,000. The inclusive fee for the six-week senior managers' course is £360. "We are tending towards charging an economic price for post-experience work," the director commented. "We are certainly not averse to increasing our earnings." In 1970-71 the school's income from course charges and research grants was about £57,000. Its total budget was nearly £100,000.

It is not earning ability, however, which will decide whether or not the Graduate Management Centre survives. The critical issue seems to be whether the two universities are willing to give up some of the grant-aid that they might retain if the centre's work were split *up and returned to the parents*. The Government's thrifty attitude towards education seems ominous here, particularly with the negotiations which will fix university finances from 1972 to 1977 only months away. True, the centre's work has been criticised, sometimes sharply. But so has the work of all business schools.

Mr. Minkes seems confident, but his comment on the future was guarded. "The situation is that the two universities are working towards the expansion of their existing interests in management education, on a co-operative basis. But what form of institution or institutions this expansion will need is not yet decided."

Labour News

NUBE protest about 'poaching' for TUC

BY ROY ROGERS, LABOUR STAFF

THE National Union of Bank Employees, which recently rejected a merger bid from the Association of Scientific, Technical and Managerial Staffs, is to complain to the TUC that ASTMS is attempting to poach some of its members.

Both ASTMS, which claims some 40,000 insurance members, and NUBE, which has some 80,000 banking members, are currently trying to establish a foothold in other sectors of City institutions as part of recruiting drives centred in the City of London.

NUBE is to seek the protection of the TUC's Bridlington anti-poaching agreement following a recent meeting held by ASTMS for dissatisfied bank employees.

The dissatisfaction of some bank staff with a recently introduced job-evaluated wages structure has led to a considerable number of them applying for ASTMS membership. However this may be countered by a pay claim, based on the increased cost of living, which NUBE and the bank staff associations are to lodge next month.

Meanwhile, NUBE is pushing ahead with its own recruiting drive including an approach to the 5,000-strong Guardian Royal Exchange Assurance staff association which, two months ago, voted 2-1 against merging with ASTMS.

Speculation

Speculation that ASTMS might retaliate by taking NUBE before the TUC over this matter was firmly put down by Mr. Clive Jenkins, ASTMS' general secretary, who said he had no need of protection from NUBE.

Whether his attitude is because he feels that ASTMS' position in insurance is more secure than NUBE's in banking, or because NUBE appears to have little chance of making headway at Guardian Royal Exchange, is not clear, but what is certain is that the rivalry between the two unions will become more bitter as a result of these recent events.

EEC: writs from Jenkins

BY HAROLD BOLTER, INDUSTRIAL CORRESPONDENT

MR. CLIVE JENKINS, general secretary of the Association of Scientific, Technical and Managerial Staffs, intends to seek a High Court injunction preventing the Post Office from distributing the "popular" version of the Government's White Paper on the Common Market.

Mr. Jenkins, a leading anti-Marketeer, has issued writs against the Attorney-General, Sir Peter Rawlinson, Q.C., and the Post Office, and said yesterday that an application for an injunction would be made before the end of the week.

A writ had been issued against the Attorney-General in view of the Central Office of Information printing, publishing and distributing the "Britain and Europe" pamphlets at public expense, he said.

"Controversy"

Mr. Jenkins claimed that the pamphlets were "partisan and prejudiced" in their presentation of the arguments for and against Britain joining the EEC. He maintained that they were biased in favour of entry and aimed at influencing public opinion before Parliament had made up its mind.

In addition, Mr. Jenkins accused the P.O. of acting in excess or abuse of its powers by distributing the pamphlets. Its resources were being used "to further a propaganda campaign on a matter of public controversy upon which Parliament has taken no decision," he insisted.

Entry into the Community would be "gravely prejudicial" to the standard of living of ASTMS members, he said, and the union felt that the Government should not have published "this highly contentious argument for entry before the Commons debated the issue, let alone reached a decision on the terms for entry."

Mr. Jenkins claimed that the pamphlet was produced for party political reasons, which should properly have emanated from the Conservative Central Office, but had instead been "produced and distributed with the aid of public funds."

The president of the ASTMS, Mr. Ian Mikardo, Labour Party chairman, said that, if the Labour Party executive decided to come out against entry, it would presumably produce and distribute a document in support of its attitude.

"In my view, it would be entitled to the same facilities for publishing and distributing its document as the Conservatives have for their party document," he said.

£5-a-week rise for Hull and Grimsby trawlermen

BY ROY ROGERS, LABOUR STAFF

SOME 3,000 trawlermen at Hull and Grimsby receive a pay increase of at least £5 a week under a pay structure which comes into operation from August 1.

Negotiated between the Transport and General Workers' Union and the Grimsby and Hull Freeze Trawler Owners' Associations, the settlement allows for a £28-a-week basic for deckhands, who will also get a share of profits from each voyage by way of a 25p tonnage payment.

Agreement has been reached for the tonnage payment to be increased to 27p on trawlers where the number of deckhands is reduced from 15 to 14, and provision has been made for further reductions in manning at agreed tonnage rates providing agreement is reached with the crews concerned.

The trawlermen are on a basic rate of £19 a week, but tonnage payments take average earnings to between £40 and £50 a week.

BMA to register under unions Bill

THE British Medical Association has decided to register under the Industrial Relations Act in the special schedule reserved for limited liability companies.

The alternatives, Dr. Ronald Gibson, chairman of the association's council, told a special representatives meeting in Leicester at the week-end, would be for the association to cease to be a negotiating body for doctors or to become a trade union, giving up its status as a learned body and perhaps losing Royal patronage.

At one time it had seemed it would have to become a trade union but action by BMA officials, he said, produced the change in the law which enabled the BMA and bodies like it to register under the special schedule.

● The National Union of Journalists is to hold a referendum of all members on whether to de-register under the Industrial Relations Bill. The referendum is to take place wthin three is to take place within three Royal Assent.

The NUJ's national executive council also decided over the week-end not to take part in any of the statutory bodies to be set up under the Bill, and to negotiate clauses in new and revised industrial agreements exempting the agreements from legal enforcement.

Fourth TriStar to join flight tests next month

BY RAY DAFTER

LOCKHEED plans to roll out its fourth production TriStar airliner next month, it was learned yesterday. The aircraft (destined for Eastern Airlines, will join the three other aircraft in the colours of Eastern, TWA and Lockheed being used in the flight test programme.

This fourth TriStar is being fitted with Rolls-Royce RB-211 engines developing 40,000 lbs thrust. These will be upgraded to 42,000 lbs thrust in due course.

Rolls-Royce (1971) started work on production engines for the TriStar programme several weeks ago. The first of these will go into the TriStars which are due to be introduced into service by Eastern and by TWA in April next year.

So far, RB-211s have amassed about 6,500 hours of testing time of which some 1,100 have been in the air. Development and production work on the engines has continued, while on the other side of the Atlantic, discussions have been proceeding over U.S. Government approval for loan guarantees to Lockheed.

There is to be an important debate on loans for Lockheed and other ailing corporations in the U.S. Senate to-day, while the House of Representatives will debate the question of loans next Friday.

When the U.K. Government decided in May that Rolls-Royce (1971) should continue development and early production work on the RB-211 it set August 8 as the date for reviewing this programme. It is now hoped that the Government will sanction work beyond this date provided there is a prospect of an early American decision on the future of Lockheed and the TriStar.

John Trafford looks at the state of the nylon manufacturing industry following ICI Fibres' decision to dismiss nearly 1,500 manual and white-collar staff

Repercussions of the nylon glut

THERE CAN be no mistaking the fact that nylon manufacturers, the people who actually make synthetic fibres from chemicals, are going through a very nasty patch. On Thursday, ICI Fibres revealed its long-awaited plans to wrestle with the twin problems of sluggish home demand and an unprecedented rise in production costs. It said it would sack nearly 1,500 from its factories and offices—nearly half of them white-collar staff—and start a scheme to rationalise production at its three plants.

Such news, worrying though it is to those personally involved, tends to leave the housewife unimpressed; her main concern is whether there is any suggestion that nylon goods will go up in price. Happily for her, but to the chagrin of ICI and its main competitors, nothing of the sort is likely to happen. ICI's action, though so remote from the High Street as to appear unconnected, should nonetheless help in the long term to bring a measure of stability to the hosiery and textile trade, to the ultimate benefit of all concerned.

Awakening

An efficient synthetic fibre industry is one of those things that any industrialised country expects to have as a matter of course. But in Germany recently there was a rude awakening to the dangers befalling those who become uncompetitive and unprofitable. One of the country's largest synthetic fibre manufacturers, Phrix-Werke, has been in deep trouble.

Happily for Britain, ICI Fibres, which supplies over half the nylon used in the country, has no cause for concern about its future existence. But it does have plenty to worry about when it comes to making money out of synthetic fibres generally and nylon in particular. It is not unique, in this, of course. Courtaulds, Monsanto and British Enkalon—all of whom make nylon filament yarns in the U.K.—are in the same boat. The same can be said for Du Pont U.K., which is quite a large importer of nylon from its factories on the Continent and the U.S., and the other big manufacturers in Europe, America and Japan.

Among synthetic fibres, nylon is something of a special case because it has been around so much longer than other fibres like Terylene and Orlon. It is now 30 years since it was first offered on a commercial scale and in the intervening years most of the potential outlets for it—in stockings and tights, shirts, dresses, lingerie, sheets and the rest—have been pretty well explored.

It is against this background that ICI Fibre's measures can be judged. The company has without doubt built up a lot of "fat" during the boom years of the 1950s and much of the 1960s. When a world glut in nylon shattered the optimism of fibre makers back in 1966, ICI Fibres dismissed about 1,700 staff and, by and large, they have not been replaced.

The same has happened again, five years later. Again there is a chronic world over-supply of nylon and prices are weak, but this time there is the added hazard of spiralling production costs fed by the fires of inflation.

Under those circumstances management has only one alternative—and that is to find ways of cutting down on costs. There is not much mileage left in lowering costs by building bigger fibre plants, so the obvious, and virtually the only, choice is to reduce staff.

Cutting costs

If past performance is anything to go by, it seems certain that any rationalisation undertaken by ICI and its competitors will not later be revoked when trade again picks up. True, cost-cutting on a really large scale is usually begun only when profits are falling; but that does not make it any the less valuable. In the longer term, a reduction in nylon manufacturing costs, if applied to a sufficiently wide cross-section of producers, must benefit the textile trade and the final consumers.

Of the various pressures acting on the big international fibre companies to reduce costs, they can with some reason disown cost inflation and the disappointing growth in demand for most nylon goods: these are largely outside their control. However, every company makes its own calculations of future demand and decides whether it should invest more in new plant. Almost to a man, the big, sophisticated fibre companies have got their sums wrong. The result has been an appalling world over-supply which Mr. Michael Clapham, an ICI deputy chairman, expects to continue for at least two more years.

Most of the fibre going to textile companies is sold in the form of continuous filament yarns, some of which are "flat" (or smooth surfaced) and some "textured" through being subjected to an additional process. In addition, a relatively small volume of fibre is sold as staple which has to be spun into yarn in much the same way as cotton.

The main problem area at present is the textured filament yarns of fine denier which go into making women's tights. This may seem surprising, since the volume of nylon going to this outlet is quite modest. However, the weight of nylon used gives no indication of the value of the market to the fibre producer or the hosiery manufacturer.

Manufacturers' sales of women's knitted hosiery last year amounted to some £85m. and virtually all of it was made from nylon. Because the yarns used are fine deniers and because they have to be textured, their preparation takes up much more machinery capacity than the simple, heavy, flat yarns; this is duly reflected in higher selling prices.

U.K. Nylon Sales, 1970 (million lbs.)

FILAMENT:	
Carpets	23
Shirts, sheets, lingerie, linings	80
House furnishings	8
Hosiery	27
Men's socks	12
Knitted outerwear	20
Overalls, rainwear, etc.	17
Industrial	29
Tyres	18
Net exports of texturised yarns	6
Total	240
STAPLE:	
Carpets, etc.	45

Women's hosiery is an important sector because it offers fibre makers an outlet for their higher-priced fine denier lines. It has become an increasingly attractive market because the fibre makers have been moving strongly towards doing their own texturising of flat yarns and supplying the hosiery companies direct rather than through an independent texturiser. ICI Fibres introduced Tendrelle about two years ago and both Courtaulds (Shareen) and British Enkalon (Enkasheer) are also now active. Du Pont (U.K.) imports its Cantrece texturised nylon.

Just two years ago, fibre makers in this country woke up to the alarming fact that much of the filament yarn they were supplying to sheet, shirt, lingerie and home furnishing manufacturers were not reaching the shops because demand was so slack. Initially they shrugged this off as just a touch of holiday blues but the depression continued and the stocks piled up. Total U.K. demand for nylon filament yarns slumped by about a fifth in a very short time. Not unnaturally, fibre makers cast around for other fields.

The brightest of all was women's hosiery, where the popularity of the mini-skirt sped the switch from stockings to tights. Nylon sales rocketed, helped by the fact that 3½ times as much fibre is needed to make them as a pair of stockings.

The trend continued right through 1970 with sales of tights and pantihose no less than 30 per cent. up in the year's final quarter (although value only advanced 2 per cent., a warning of the price war which drove Bear Brand to sack half its staff last May).

There are no official figures yet for this year, but the trend is clear enough. Now that the mini has been knocked off i perch and a fashion bedla reigns, girls are finding th their tights can be made to la longer. One industriali lamented last week that nothin could be better for trade tha the mini lasting for ever. As is, fibre makers are finding the sales to the hosiery trade a down by as much as 10 per cen With the other major outlets fo nylon back to their early 19 levels (but not much more) ar with more production capaci available here and abroa prices remain generally weak.

Higher prices

The fibre makers tried raise their prices by 7.5 p cent. last January, and general they managed achieve some increase in mo sectors apart from the fi denier hosiery yarns. The inability to get the full 7.5 p cent. puts them in a tricky co mercial position since to nylon filaments sales in the U. are generally no better th last year while production co have streaked ahead.

Higher prices have recen been announced on the Co nent and in the U.S. and there a general feeling that t present glut will slowly ri itself. Some companies are ev talking quite optimistica about end of year prospects.

While ICI and others grap with the daunting problems bringing profitability back the fibres, the housewife c console herself with the thoug that even a rise of, say, 5p pound in the nylon price wou have only a minute impact the retail price of a pair tights, which weigh a mere oz.

Finalists named for National Management Championship

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

NAMES ARE announced to-day of the four companies which will compete for the National Management Championship in London next Saturday.

They include Rolls-Royce (1971) and Peat Marwick Mitchell, the chartered accountants, one of whose partners was appointed receiver and manager of the old Rolls-Royce Company. The two other finalists are Crossley Carpets, of Halifax, and Manganese Bronze Holdings.

The players are groups of managers from different departments of their "real life" companies. The Rolls-Royce team, for example, consists of financial control executives from the Engines Division at Derby.

The National Management Game is organised by the FINANCIAL TIMES, International Computers, and the Institute of Chartered Accountants in England and Wales. In the game, each group of players acts as the Board of a "paper" company making and marketing a consumer-durable product

The teams compete against one another and against an economic model in the computer. At the end of each round, the team in each group which has made the biggest distributable profit goes forward to the next round.

The game started in January with 780 teams. These were gradually whittled down in successive rounds played by post. The four finalists are the survivors of 16 teams who got into the semi-finals—the last postal round.

During the semi-finals, the contestants had to cope not only with each other's competition and a declining market. In addition, the computer blessed them with a go-slow in their transport departments.

Even so, no semi-finalist made a loss. The worst result was a profit of £70,500; the best a profit of £1.86m.

In Saturday's final at Putney, the players will no longer have several days in which to reach their business decisions. Each set of decisions will have to be made and submitted to the computer within about 40 minutes.

The final will last from about 10 a.m. to 5 p.m. At the end, the 1971 national management champions will receive their prizes, including a rose bowl from the FINANCIAL TIMES.

Dry spell 'will bring drought'

THERE ARE FEARS that hundreds of thousands of homes in Britain may have their water supplies cut off if there is another long, dry spell.

The British Waterworks Association said at the week-end: "We have not had a drought in this country for many years and it is on the cards that we are going to have one very soon. Some parts, particularly in North Devon and Ipswich, Suffolk, have already had their domestic water supplies cut for a time. People had to get their water from street hydrants."

Drought orders to conserve supplies are in force in North Devon, the Pennines, the Lake District and several areas of Scotland. These orders place restrictions on non-essential water use like garden-watering and car-washing.

An association spokesman said generally low rainfall during the winter and spring had left many storage reservoirs nowhere near full.

"If we now have a late summer which is long, hot and dry we are in very real diffic ties," he said.

The London Weather Cen long-range forecast gives bel average rainfall in all the ar suffering from water shorta This will be coupled with abo average temperatures.

Crisis areas include Plymo which, says the Waterwo Association, will soon need more gallons a day; Newcas where "the situation is gett worse every day"; and Liv pool, where "the prospects not too good."

Attempts to end U.S. copper workers' strike fail

BY JOHN EDWARDS

ATTEMPTS TO settle the 25-day-old U.S. copper workers' strike over the week-end have ended in failure.

The unions concerned in the negotiations had called a special conference among themselves on Saturday at Salt Lake City to decide whether or not to ratify tentative agreements on new labour contracts reached with two of the leading copper producers, Anaconda and Kennecott.

But at the last moment on Friday night, Anaconda announced that it had failed to complete the agreements reported to have been reached earlier, and Kennecott said it was unable to make any further progress in its "peace" talks. More than 30,000 copper workers have been on strike since their labour contracts expired on June 30, and this has virtually brought copper production to a standstill in the U.S., which is normally the world's biggest producer.

So far, however, no shortage of copper has developed, since a surplus had built up, and consumers stockpiled against the possibility of a stoppage. But if the strike continues much longer the effects should start to be felt.

It was confidently expected last week that the latest improved wage offers by the employers would be accepted, since they are understood to be higher than those accepted recently on behalf of the U.S. aluminium workers. However, it is believed that the copper producers are insisting on new productivity deals in exchange for the higher pay.

Narrow gap

Nevertheless the gap between the two sides seems quite small, and no one expects the present stoppage to go on as long as the previous one in 1967-68, which lasted for more than eight months. Last week copper prices fell back on the London Metal Exchange on expectations that the U.S. strike would be settled, so there is a strong likelihood of prices surging up again.

Jobless: Tories complacent, says Wilson

MR. WILSON yesterday bitterly accused the Conservative Government of "cynical complacency" over the jobless situation.

"If the unemployment figures issued by the Government this week must be regarded as a national scandal," he told the Tolpuddle Martyrs' demonstration in Tolpuddle, Dorset, "the cynical complacency which Mr. Heath and his Government have displayed about steadily rising unemployment constitutes a still greater scandal."

Plea to exempt sales under 5p from VAT

BY DAVID WALKER

A CALL for sales involving sums of less than 5p to be exempt from Value Added Tax has been made by the Automatic Vending Association of Britain.

In the vending industry, the Association has told the Government, VAT, which envisages the consumer meeting the cost of the tax, would be quite impracticable. If imposed without relief, it states, there would be substantial increases in the cost of all purchases required for a canteen or vending installation.

At present, machines and the majority of food and drink products sold are not subject to purchase tax. The Association pointed out that price rises at vending installations are governed by the coinage available.

That made the smallest advance possible one of a ½p, or 25 per cent. on a 2p vend price, even though the tax itself might well be only 10 per cent.

All industrial drink and food services, AVAB has suggested, should therefore be granted a zero rating.

The British Federation of Master Printers has also urged zero-rating for books and periodicals under VAT. At the same time, it has stressed to the Government the importance of ensuring that no tax advantage accrues to customers, who do their own printing.

REPORT ON LAKE WATER SUPPLY

A report which looks into additional ways in which Manchester Corporation can transfer water from its Haweswater reservoir to treatment works under construction 10 miles away at Watchgate, near Kendal, will be circulated to local authorities and amenity bodies this week.

After they have given their views, Manchester will decide which method to adopt.

Press Council's powers: Law Society's views

THE LAW Reform Committee of the Law Society is against the enlargement of the powers of the Press Council so as to impose financial or other penalties on newspapers for the wrongful invasion of privacy.

In its memorandum to the Younger Committee on Privacy, details of which were announced over the week-end, the committee says that the Press Council is the instrument of a form of self-discipline, and operates by virtue of its own moral authority: its findings are usually accepted by the newspaper concerned, but could only be enforced if they were given statutory authority.

"The Law Society's committee does not consider that this would be justified," it is stated.

The memorandum also makes recommendations about "bugging" devices which it considers may be one of the most serious matters to be considered by the Younger Committee. It is thought that some form of control of such devices at their source may be the most effective action which can be taken.

COMPANY NEWS + COMMENT

Trust Houses Forte sticks to forecast

VAILABLE indications of likely urse of business in the second ilf year—including estimated gures for May and June—iables Trust Houses Forte to peat the earlier froceast that ofit before tax and minorities r the year to October 31, 1971 will show a significant increase" n the £9.36m. for the preceding ar states chairman Sir Charles orte.

For the six months to April 30, 71, group profit before tax and inorities is lower at £251,000 mpared with £691,000 for the rmer Trust Houses Group only, it the chairman states that no gnificance should be attached to is fact, since the merged comny has an even larger seasonal ring.

	Half-year 1970-71 £000	*1969-70 £000	Year 31 Oct. †1970 £000
oup turnover ...	77,307	30,955	141,100
ading profit	2,539	1,526	13,368
arges	2,603	537	4,005
ofit	251	691	9,363
norities Loss‡ ...	156	£2	$351
ributable ..	403	689	9,012

* Former Trust Houses Group only. nclude 12 months of the former Trust uses group and only nine months of rte Holdings. ‡ Reflects the seasonal ture of the companies concerned. lebit.

Directors point out that any timated of tax liability for the lf year would be *misleading*.

Statement Page 5

See Lex

HIGHLIGHTS

A thin week-end postbag is enlivened by six-month prafits from **Trust Houses Forte** and confirmation of good growth for the full year (see Lex). A letter to shareholders from **Silentbloc** rejecting the revised bid from **BTR Leyland** contains some interesting implications for profits in 1972-73.

This week the engineers star. To-day sees a half-timer from **Alfred Herbert** and a prelim from **Dowty Group**. **B. Elliott** unveils annual profits on Wednesday and so—on Friday—does **John Brown**. To-morrow, **National Westminster** completes the banks' interim season, while **Reed International** and **Inveresk Paper** report six-month profits on Thursday and to-day respectively.

Wheeler's Restaurants prospects

Business continues to keep up ll, reports Mr. B. Walsh, chairan of Wheeler's Restaurants d he sees no reason why results r the current half-year should t be as good as for the rresponding period of 1970-71.

As reported on July 17 pre-tax ofit for the year to March 31, 71, was £154,549 (£133,068) with dividend of 52½ per cent. (47½ r cent.).

Possession of the Hotel Victoria, ighton, has been obtained, the airman explains, and the extenn to the Sheridan Restaurant s been almost completed. construction of the hotel is der way. The proposad Malta project is marking time.

The Board continues to look for the right avenues for expansion and there is a prospect of an acquisition in the West Country about which the chairman will have more to say later.

Meeting, 17, High Street, Kensington, W., August 16, noon.

Chairman's statement, Page 28

Norgren Shipston growth

CURRENT year results in excess of those for 1970-71 are forecast by Mr. B. T. S. Bosley, chairman of Norgren Shipston International, manufacturers of pneumatic accessory equipment.

Sales are on the increase again, he adds, and the group is equipped to take advantage of any rise in industrial capital expenditure.

As reported on July 3, pre-tax profit for the year ended March 31 was £851,000 (£777,000) with a dividend of 25 per cent. as forecast.

Mr. Bosley says he had hoped to be able to report a higher profit, but the effect of the industrial and economic climate mentioned in the interim report has persisted.

He reports that the acquisition of 80 per cent. of ARM Italia of Milan was completed after the end of the financial year, which secures control of major export customers.

Chairman's emoluments were £12,000 compared with £8,000.

Meeting Shipston - on - Stour, August 16 at 1.30 p.m.

J. Collett property values

FOLLOWING the announcement on Friday that J. Collett, the hat and wig manufacturing group, had terminated the bid discussions started in mid-April, the annual report discloses the directors value of the company's property.

In their opinion the existing use value in the open market of the freehold property, 38-43, Charterhouse Square, is about £250,000, although this would be substantially increased when the property is included in a comprehensive development. The value of the long leasehold factory, 23-28, Charterhouse Square, is put at some £400,000.

It is also shown in the report that Mr. Ronald Lyon has acquired 14.6 per cent. of the Collett capital.

On the current year chairman Mr. Maurice Harris, says that too much optimism might be unwise and "we should look forward to the immediate future with caution." However, he is confident that "we have the knowledge and the experience to face whatever conditions lie ahead for our industry."

As reported July 7 group profit, before tax, for the year ended March 31, 1971, decreased from £282,099 to £158,757. The dividend is cut from 20 per cent. to 16½ per cent.

Meeting, Grosvenor House, Park Lane, August 24, at 11 a.m.

South Mills to hold profit rate

DESPITE CONTINUED cost escalation, turnover and profitability of South Mills (Textiles) have been well maintained in the current year to date and chairman Mr. W. Campbell Scarlett feels that the "modest rate of profit" made on the turnover should be maintained.

Largely because of orders placed in 1969-70 exports increased from £324,463 to £540,207 in 1970-1971. The chairman is aware that increased prices are now making the group less competitive in world markets and he does not expect current year export performance to be quite as good. However, the mills and factories are, in the main, well employed.

Results for the year ended March 31, 1971 showed group profit, before tax, ahead from £230,984 to £283,591 on a turnover of £5,496,840 (£5,137,281). While the turnover figure in flax and jute goods showed only a small increase (from £3.24m. to £3.32m.) the percentage of the total accounted for by rayon and synthetic yarn production has grown from 37 to 40 per cent. and this tendency should continue says Mr. Campbell Scarlett.

Towards the end of 1970-71 several departments of the flax spinning and weaving side were *suffering* from lack of orders and production had to be curtailed. The chairman says there are some signs of business picking up, but he feels it is a little too early to be confident about the year's result.

Despite severe competition in rayon and synthetic fibre spinning he hopes that the increased business here can be maintained.

As reported July 2 the dividend is raised from 7½ to 8½ per cent. Meeting Dundee August 19

● comment

With a pre-tax jump of 23 per cent. in 1970-71 profits South Mills (Textiles) has recovered some of the lost ground from its 1965-66 peak. The main impetus came in the final six months with a recovery in rayon spinning which increased its contribution to annual profits from 22 per cent. to 41 per cent., and the profits improvement was aided by a substantial increase in exports. However, given that growth in both the flax and jute sectors tailed off towards the year-end and that the group is not expecting the same performance from exports in the current year, it is uncertain whether the pick-up is any more than temporary relief to a very patchy record. Even so, the prospects do rate something better than the p/e of 4.8 at 17p which is largely the result of a very thin market in the shares.

SCOTTISH AUTOMOBILE

Court sanction has been received by Scottish Automobile for repayment of 10,000 prefer*ence shares to be made on July* 31, 1971.

MINING NEWS

October date for Carr Boyd nickel

BY LESLIE PARKER, MINING EDITOR

The Western Australian nickel producing partnership, Great Boulder and North Kalgurli, plans to bring its second mine, Carr Boyd Rocks, into production in October.

In the report for the 16 weeks to June 22 it is stated that some 400 tons of nickel-copper ore from the 200 and 350 foot levels have been treated and successfully concentrated at Great Boulder's Fimiston plant. Negotiations are currently in progress for the sale of the Carr Boyd concentrates.

In the year to June 22, Fimiston treated 111,112 short tons of ore from the partnership's Scotia mine with a head grade of 2.37 per cent. nickel for the production of 19,433 short tons of concentrates averaging 10.57 per cent. nickel.

At the 660 foot level of this mine limits have now been indicated for the main stope of 410 feet in length with an average width of 24 feet and an average value of 2.75 per cent. nickel.

It is proposed to sink the Mitchell shaft from 770 to 950 feet in order that the 830 foot level can be explored. At Great Boulder's Mt Martin prospect (in which Hampton Properties has a 20 per cent. interest) shallow intersections have been made of ore ranging up to 2.65 per cent. nickel over five feet. Great Boulder and North Kalgurli share Scotia on a 51-49 per cent. basis and are equal partners in Carr Boyd.

Shares of both companies have been drifting downwards recently, in common with those of most of the world's nickel producers and *in sharp contrast* with the performance of the metal's finders. Great Boulder are 88p and North Kalgurli 38p, both 1971 lows. Western Mining has a 43 per cent. stake in Great Boulder. At 168p its shares are also at a 1971 low.

WESTERN MINING

Western Mining Corporation has made a call, the second, of 45 cents per share (being 15 cents capital and 30 cents premium) due and payable October 1, in respect of the 30,935,970 new issue 1971 shares.

Macdonald Martin outlook

Chairman of Macdonald Martin Distilleries, Mr. G. A. H. Rattray, tells members that no effort will be spared to produce satisfactory results for the current year.

Trading conditions at home and abroad are no easier, he says. However, the group has considerable strength in its holding of sound and carefully chosen whisky stocks, on which are based three well known brands of Highland Queen, Martin's VVO and Glenmorangie Highland Malt.

As reported on July 7, group profit, before tax for the year ended March 31, 1971, was £691,629 compared with £786,966. The total dividend is 17½ per cent. (16½ per cent.).

The changeover from coal to *oil firing* at Glenmorangie has now been successfully concluded and the group plans to do the same at Glen Moray—Glenlivet distillery at Elgin during the current year.

This and the building of a new still house accounts for capital commitments of £90,500. These changes will ensure a more efficient and economic unit, the chairman says.

Chairman's statement Page 8

FT Share Information Service

The following securities have been added to the Share Information Service appearing in the Financial Times:—

Fairview Estates (Section: Buildings). **Hazlewoods** (Proprietary) (Section: Food, Groceries, etc.). **MFI Warehouses** (Section: Drapery and Stores). **Wire and Plastic Products** (Section: Industrials (Misc.)).

Confidence at Colvern

Chairman of electronic components manufacturers Colvern, Mr. R. Collinson tells shareholders that in the existing economic conditions, it is difficult to forecast future trends, but "with the stimulus to the economy that must come from Government reflationary measures," he is confident the group will continue to prosper and maintain steady progress.

Although order books are a little thinner, says the chairman, there has been a decided improvement in the value of incoming orders during the first three months of the current year and sales for this period are equal to the average for last year.

As reported on July 9, pre-tax profits for the year to March 31, 1971 increased from £246,921 to £304,022 and the dividend is held at 22½ per cent.

Direct exports, which during the year increased by 33½ per cent. to £413,945, now account for approximately one-third of total sales. Products are sold to practically every major country including some in Eastern Europe. Of home sales possibly some 40 per cent. is eventually exported in complete equipment.

Meeting, Great Eastern Hotel, E.C., August 17 at noon.

UNIT TRUSTS

JASCOT COMMODITY

Jascot Securities of Edinburgh are making a further offer of units in the Jascot Commodity Share Unit Trust at a fixed price of 29p until Wednesday, August 4. The minimum investment is £50 for a current estimated gross yield of 10.17 per cent.

The fund was launched in April with the basic aim of providing high and increasing income. To this end it has a wide spread of shares in several commodity sectors such as rubber, oil, tin, copper, tea, sugar and diamonds.

● comment

The commodity sector has tended in the past to move against the market trend and while in 1970 most commodity trusts performed well they have lagged behind the general advance this year. Since the initial offer at the end of March Jascot Commodity's units *have risen 18 per cent. compared* with a 31 per cent. advance by the Actuaries All-Share index. But the main attraction of the fund at present is clearly the yield—estimated to be the highest of any unit trust. This partly reflects the risks of the comodity sector and so, as the managers stress, only part of an investor's capital should be put into this fund.

ISSUE NEWS AND COMMENT

Thanet offer of shares and warrants

APPLICATION lists open on Thursday, July 29 for the offer for sale of 600,000 Ordinary 50p shares in Thanet Investment Trust at 66p per share as well as 300,000 Warrants at 28p per warrant. Each warrant confers the right at any time to subscribe one Ordinary 50p share at 80p.

Since the appointment of Leopold Joseph and Sons as investment managers in 1967 the value of the portfolio has increased by 69.1 per cent., equivalent to an annual compound growth rate of 13 per cent.

The directors believe that worthwhile opportunities will continue to arise both in the U.K. and elsewhere, and the raising of £445,000 net, will enable them to take fuller advantage of such opportunities. The enlargement of the issued share capital will also improve marketability.

The asset value per share at June 30 was 84.2p while the price of the existing shares was 70p on Friday.

● comment

The path for investment trust issues has hardly been smooth lately, what with the flops of Glendevon and Border and Southern. Nevertheless Thanet Investment Trust seems to have hit on a package that has a fair chance of success. Prospective holders have the opportunity to participate in a small trust that has performed well over the last four years, at a sizeable discount to asset value. This is in contrast to Glendevon and Border which were issued at or above asset value. What is more, existing holders will not encounter any dilution of the asset value by the issue since the proceeds of the warrants even up the equation. As to the warrants; these at the moment look rightly valued *but being undated they will* act as a good option on the market and as such the issue should go.

Prospectus Pages 4 and 5

Wright-Scriven requotation

Arrangements have been completed for a placing of 1.35m. Ordinary 12½p shares in Wright-Scriven (formerly Scriven-Crosthwaite) at 17½p per share.

This new group was formed following the acquisition by Scriven-Crosthwaite of the share capital of the Wright Group of companies from Bank Bridge Securities, as a result of which Bank Bridge acquired a controlling interest in S-C. Although Bank Bridge is the vendor of the shares being placed it will still hold some 60 per cent. of the new group's equity.

S-C manufactures metal working and special machine tools. The activities of the Wright Group include metal fabricating and general welding, merchanting machine tools, general sheet metal working and precision engineering.

Pre-tax profits of S-C have risen from £15,000 in 1961 to £26,000 in 1970 after a peak of £48,000 in 1962 and a loss of £11,000 in 1968. Profits of the Wright Group have jumped from £32,000 in 1960-61 to £134,000 in 1969-70.

Pre-tax profits of the group as now constituted for the year ended March 31, 1971, are expected to be not less than £180,000. For the current year ending March, 1972, the directors anticipate profits of not less than £200,000, and on the basis of profits at this level dividends totalling 12 per cent. are intended. At the placing price the dividend yield would be 8.57 per cent., covered some 1.5 times, and the p/e 7.78.

● comment

Following its success with British Benzol, Bank Bridge Securities is now hiving off a small proportion of its holding in Wright-Scriven. With the original Scriven-Crosthwaite group clearly finding the going tough the injection of the Wright Group of companies makes a welcome improvement on the profits front. Not that this means Wright-Scriven is going to be some high-flyer—on the contrary, growth is likely to be steady (probably in the region of 10 per cent. per annum) rather than spectacular. This, though, is more than taken account of by the rating at the placing price and with the addition of a useful 8½ per cent. yield there looks room for some follow through.

Prospectus Page 29

Forminster placing

Brokers Bragg Stockdale Hall and Co. have completed arrangements for a placing of 800,000 Ordinary 10p shares in Forminster at 44p per share.

The company designs and manufactures ladies' dresses, blouses, skirts, slacks and suits for sale to Littlewoods. About half the company's output goes to the retail stores division of Littlewoods with the other half going to the mail order division.

The manufacturing processes are largely carried out in the company's factory with some work being sub-contracted to outside workers.

Turnover has risen from £181,000 in 1961-62 to £1.20m. in 1970-71. Pre-tax profits over the same period have expanded from £2,000 to £133,000.

Turnover for the current year ending April 30, 1972 is expected to be not less than £1.65m. while pre-tax profits should not be less than £175,000. On the basis of this forecast the directors intend to recommend dividends totalling 37½ per cent. At the placing price the dividend yield would be 8.5 per cent., covered 1.4 times, and the p/e 8.4.

● comment

One outlet taking all the turnover hardly sounds a safe basis for a successful flotation. But in Forminster's case the trade *links* with Littlewoods do appear to be sound and they have been built up over a number of years. If one then assumes that the tie-up is relatively secure the benefits for Forminster are threefold. The first and probably the most important is that by operating to secured orders stocks are kept to a minimum with the result that Forminster has yet to encounter the liquidity problems that are so often associated with the rag trade. Secondly, the production set-up means that growth is geared to that of Littlewoods while there is also the alternative of Forminster increasing its slice of the group's required merchandise. However, if a one-product company is rated at a discount a one-customer company surely falls in the same boat, and although the 8½ p/e and 8½ per cent. yield appear to compensate for this it is worth pointing out that other successful companies in the sector are on ratings below 10, which limits the scope for a premium.

Prospectus Page 7

CENTRAL & SHEERWOOD

Application has been made to the London Stock Exchange for the quotation of £443,000 10 per cent. Unsecured Loan stock 1981 in Central and Sheerwood Trust.

The stock was issued in connection with the acquisition of Bathford and Ryburndale Group.

Brokers are Joseph Sebag and Co.

Abridged details Page 2

COMPAGNIE DES COMPTEURS

Banque De Paris Et Des Pays-Bas has completed arrangement for the financing of $20m. notes due 1977 for Compagnie Des Compteurs.

First half loss for Edward Webb

Results of Edward Webb and Sons (Worcester) for the half-year to March 31, 1971, show a loss of £17,499, of which £12,000 is of a non-recurring nature, states chairman Mr. A. G. Foley. For the year ended September 30, 1970, there was a pre-tax profit of £32,767.

After deducting the non-recurring item, there is a trading loss of £5,499.

The non-recurring loss of £12,000 results from exceptional development costs relating to fusible interlinings and the writing down of stock in view of the major technological changes occurring in the clothing industry. This will be charged to reserves, the chairman says.

After a period of short-time working most production departments are now on full time with a reduced labour force, "but a further recovery in trade will be necessary if the first-half loss is to be recovered," he says.

The financing of increased fusible sales will now be met out of internal financing and more permanent finance will not be required in the immediate future.

The long-term future of the company is promising, he says, but in the short term much will depend on the success of the Government's intervention to reflate the economy. The proposed entry of the U.K. into the Common Market is a challenge which it is hoped will give the company a new market to offset the reduction of Scandinavian business.

MOUNT CHARLOTTE

A further reasonable increase in profits of Mount Charlotte Investments was forecast at the annual meeting by chairman, Mr. P. G. Williams. However, he pointed out that the postal strike ha *affected bookings and althoug* turnover lost might be recovere later in the year there could b no doubt the setback was unfortu nate.

Mr. Williams told shareholde that the capital reorganisation i January, the April rights issu and the latest increase in auth rised capital could "only be prelude to expansion."

Esanda's first half rise

ESANDA, the hire purchase an general finance subsidiary Australia and New Zealand Ban ing Group, reports a net taxe profit for the six months to Marc 31, of $A1,761,309, against a adjusted $A1,727,591, for the co responding period.

Outstandings increased in a States but the half-year resu was affected adversely by substa tial rises in salaries, losses arisin from difficult conditions in th rural sector and by non-recurrin items of expense.

These non-recurring iten include costs in providing for th extension of Esanda's faciliti through the whole branch stru ture of the merged parent ban

PORTSMOUTH & SUNDERLAND NEWSPAPERS

Speaking at the annual meetin of Portsmouth and Sunderlan Newspapers, chairman Lo Buckton, said he had one com ment to make to his annu review.

Protracted negotiations for productivity agreement at Port mouth "are to all intents an purposes completed and the ro is now open for a joint effort b management and staff to mak sure that the facilities available Hilsea are used fully in the i terests of shareholders and staff

Pending dividends timetable

For the convenience of readers, the dates when some of the more important company dividend statements may be expected in the next few weeks are given in the following table. The dates shown are those of last year's announcements, except where the forthcoming Board meetings (indicated thus*) have been officially published. It should be emphasised that the dividends to be declared will not necessarily be at the amounts or rates per cent. shown in the column headed "Announcement last year." Preliminary profit figures usually accompany final dividend announcements.

	Date	Announcement last year
Acrow (Engs.)	Aug. 11	Final 9%
*Bath and Portland	July 27	Int. due
Bowater Paper	Aug. 17	Int. 5%
Brit.-Am. Tob.	Aug. 5	2nd Int. 15%
*Brit. Match	July 27	Final 8%
Brit. Relay	Aug. 12	Final 6%
Brit. Rollmkrs.	Aug. 20	Int. 4½%
*Brown (J.)	July 30	Final 7½%
Cap. & Counties Prop.	July 21	Final 5⅓% forecast
Carreras	Aug. 21	Final 10½% forecast
Cawoods Hldgs.	July 31	Final 15%
Central and Dist. Props.	Aug. 5	Final 7% §
*Clayton Dewandre	Aug. 19	Int. 8%
*Commercial Union	Aug. 9	Int. 20%
*Cory William	July 28	Final 10%
Douglas (Robt. M.)	Aug. 21	Final 15%
Doxford and Sunderland	July 25	Final 5%
*Elliott (B.)	July 28	Final 5%
*Fitch Lovell	July 30	Int. 7%
General Accident	Aug. 26	Int. 10%
*Gillett Bros. Disc.	July 28	Int. 5%
Glynwed	Aug. 5	Int. 7½%
Guest Keen	Aug. 18	Int. 3½%
Hammond (L.)	June 18	Final 10% §
Hay's Wharf	July 24	Int. 2½%
*Hazell (Quinton)	July 28	Div. 13½% forecast
*Imperial Metal	Aug. 12	Int. 4%
*Intnl. Stores	July 29	Final 9%
Jeyes Group	Aug. 25	Int. 6½%
*Land Secs.	July 26	Final 4.6% forecast
Law Land	Aug. 19	Int. 4%
Leslie & Godwin	Aug. 15	Int. 12½%
Lines Bros.	July 2	Div. 5%
*Lonrho	July 28	Int. 10%
Mather & Platt	Aug. 28	Int. 3.2%
*Melbray Group	July 30	Final 10%
Mercury Secs.	Aug. 14	Div. 12%
Minster Assets	Aug. 26	Int. due
*Natl. Westmstr. Bank	July 27	Int. 7½%
Norcros	Aug. 11	Int. 6½%
Nottingham Mfg.	Aug. 13	Int. 4%
Pearl Assur.	Aug. 27	Int. 50%
Price Forbes	Aug. 26	Int. 17½% §
Reardon Smith	Aug. 20	Int. 5%
Royal Insce	Aug. 21	Int. 20%
Schroders	Aug. 29	Int. 3%
Sedgwick Collins	Aug. 5	Int. 15%
Slater Walker	Aug. 8	Int. 13% forecast
Smith & Nephew	Aug. 12	Int. 6½%
Star (GB)	Aug. 19	Final due §
Steel Group	Aug. 21	Final 11½%
Sunley (B.) Inv.	July 28	Final 10% forecast
Telefusion	Aug. 13	Final 12½%
*Timpson (Wm.)	Aug. 4	Int. 3% §
Town and City Props.	Aug. 7	Final due §
*Unigate	July 28	Final 10¼%
UDT	Aug. 12	Final 13% forecast
Ward and Goldstone	July 17	Final 10%
Witter (Thos.)	Aug. 8	Int. 4%

* Board meetings intimated. † Rights issue since made. ‡ Tax free. § Scrip issue since made from reserves.

Local Authority Investments

LOCAL AUTHORITY loan rates were firmer at the short-end of the temporary borrowing field last week, but otherwise showed only minor changes on balance.

Loans at seven-days' notice opened the week at 5¾-6 per cent., against 5⅝-5¾ per cent. on the previous Friday, and by the close were at 5¾-6 per cent., or sometimes 6¼ per cent.

One-year mortgages showed a softer tendency for a time, reaching 6⅝-6¾ per cent. on Tuesday, but by Friday were commonly at 6⅞-7 per cent., against 6⅞-7 per cent. a week earlier.

The Financial Times Government Securities Index fell 1.35 points on the week to 74.39. This was the sharpest fall for some nine months. Behind the movement were the measures to boost the economy announced by the Chancellor of the Exchequer on Monday, which in some quarters caused fears of inflation.

One-year local authority bonds were placed during the week at 99⅞, with a coupon of 6⅞ per cent., the same terms as on the previous week's batch. Longer-term issues included some five-year bonds returning 7⅜ per cent.

*Rate (%) July 23, 1971	
2 days' notice (deposit receipt)	5⅞ —6⅛
7 days' notice (deposit receipt)	5⅞ —6⅛
7 days' notice after one month (deposit receipt)	5¾ —6
7 days' notice after three months (deposit receipt)	6⅛ —6¼
7 days' notice after six months (deposit receipt)	6¼ —6⅜
Mortgage at one month's mutual notice after 11 months	6⅞—7
Mortgage at one month's lender notice after 11 months (nominal term 2-5 years)	6¾ —6⅞‡
2 years' mortgage	7½ —7⅝
3 years' mortgage	7⅞ —8
4 years' mortgage	8 —8¼
5 years' mortgage	8¼ —8⅜
6-10 years' mortgage	8¼ —8⅝†
11-30 years' mortgage	8¼ —8⅝†

*Rates are for sums not less than £20,000 and are subject to local variations and fluctuations. † Nominal. ‡ The shorter nominal period may carry a higher rate than the longer.

Tube Products starting fast delivery service

BY OUR INDUSTRIAL CORRESPONDENT

TUBE PRODUCTS, part of the TI group, is planning to offer customers a faster delivery service so that they can meet the increased demand expected as a result of last week's mini-Budget.

From August 6 the company, based at Oldbury in Worcestershire, will offer delivery of the 27 most popular sizes of mechanical and motor tube within a fortnight, and bulk quantities of well over 100 other popular sizes within a month.

With 29 weld mills, Tube Products is responsible for a major part of the installed capacity in the U.K. for welded precision tube.

Details of the company's new fast delivery deal were sent out to 10,000 customers or potential customers at the week-end.

About 400m. feet of steel tube a year is produced by Tube Products for use in boilers, transformers, heating elements, cars, motor-cycles, bicycles and home fittings.

The company is introducing the fast delivery service because it feels that many customers have allowed stocks to run down owing to recent uncertainty.

N.Z. wool freight rates

WELLINGTON, July 25.

FREIGHT rates for wool to Britain during the export season beginning on October 1 will rise by 12½ per cent., the New Zealand Wool Board announced to-day.

The Board issued a statement saying the rise was decided after discussions between the New Zealand European Shipping Association, representing the 14 lines in the trade, and the New Zealand Wool Freight Committee.

BIDS AND DEALS

Foseco Minsep spells out Bamangwato terms

MR. E. WEISS, chairman of Foseco Minsep, tells members in a circular that arrangements now proposed with America Metal Climax and the Anglo-American Corporation of South Africa, regarding the sale of part of FM's investment in Bamangwato Concessions, offer substantial benefits to the company.

During the talks, the chairman says, it emerged that FM would not only have had to provide additional finance amounting to nearly £2m., but also give guarantees for up to 25 years for amounts which could total £11m. While the directors were satisfied that this mining investment would in due course prove most valuable, they felt that the guarantees could seriously affect future financial policy. The additional finance required, would absorb the bulk of existing cash resources and the total investment of £4m. would produce no income for several years.

They thus decided that it would be to the company's benefit to limit interest in this development so that it did not make disproportionate demands on resources and the effects of the proposed agreement seem to meet these points, says the chairman.

Under the agreement FM will exchange its interests in BCL and Minerals Separation for a 5.73 per cent. share in Botswana RST and a net cash sum of R2,390,486—equivalent to some £1.5m. The cash received by Minsep will be used by the group to further the development of activities within the main trading sectors, says Mr. Weiss.

At present Minerals Separation holds 23.06 per cent. of the capital of BCL and 24.11 per cent. of Makgadikgadi Soda which companies have been engaged in mineral exploration in Botswana since 1959 and 1964 respectively. Minsep has participated from the start and the investment has built up to the present figures of £2,171,000 in BCL and £78,000 in MSL.

BRST was formed in 1967 and at present 43.29 per cent. of its shares are owned by American Metal Climax and 56.71 per cent. by the public. BRST's principal assets are its 60.95 per cent. interest in BCL and its 64.63 per cent. interest in MSL. BRST shares are quoted in London, and are also traded in Johannesburg and New York.

Since the quotation of BRST FM has valued its investment in BCL by reference to its market valuation and in the annual report for 1970 the market value was estimated by the directors of the holding in BCL and MSL to be £3,856,000. This valuation did not take any consideration of the requirements that the holders in BCL might have to give guarantees.

See Lex

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-division shown below is based mainly on last year's time-table.

TO-DAY

Interims—Geduld Investments, Alfred Herbert, U.C. Investments, Westinghouse Brake.

Finals—Anderson Mavor, Balmoral (Ceylon) Estates, Best and May, Dowty Group, Dubilier, Land Securities Inv. Trust, London Sumatra Plantations, G. F. Lovell, J. and J. Makin Paper Mills, Stancroft, Williams Furniture.

FUTURE DATES

Interims—	
Artagen Properties	July 27
Beaumont Properties	July 29
Dalton Barton Securities	July 27
Jamesons Chocolates	July 30
Prestige Group	July 28
Vosper	July 29
Finals—	
Elliott (B.)	July 28
International Stores	July 29
Melbray Group	July 30
RFD Group	July 27
Routledge and Kegan Paul	July 30

D. & W. MURRAY

The freehold land and buildings owned in Australia by D. and W. Murray, known as Challenge Woollen Mills, have been sold together with that part of the business of the wholly-owned subsidiary, D. and W. Murray (Australia), making and selling Challenge blankets, an operation which had been trading at a small lost.

Amounts realised and converted at current exchange rates by Murray from the sale of the land and buildings are £162,685, of which £55,778 has been paid and £106,907, bearing interest at 8½ per cent. per annum, is payable on May 29, 1973; resultant capital profit, subject to corporation tax, is £98,561.

Murray (Australia) receives from sale for cash of the plant and machinery and the stock £34,861 and £58,352 respectively, being the approximate book values, and from debtors to be collected by that company, £139,444.

CAPITAL & COUNTIES

Contracts have been exchanged with the Australasian Temperance and General Mutual Life Assurance Society for that company to acquire for $A15m. (£7m.) a majority interest in Capital and Counties Property Co.'s recently completed office development, Marland House, Bourke Street, Melbourne.

As a result the freehold of Marland House will now be owned by a joint venture between Capital and Counties and the Temperance and General. There will therefore be no head lease, as is common with sale and lease back arrangements and Capital and Counties will retain a direct interest in the freehold.

Marland House, completed in June contains 367,000 square feet of offices on 31 floors with parking for 540 cars and joins *Capital and Counties' current* portfolio of prime office buildings which includes O'Connell House, Sydney, and Dalgety House and Cowan House, Melbourne.

Further developments now being planned in the centres of these two cities will provide a further half million square feet of office space.

BLUEMEL BROS.

In a further letter to shareholders of Bluemel Bros., the chairman, Mr. E. J. Scott, advises them to take no action on any circular they might receive from Bristol Street Group in respect of its takeover offer.

Mr. Scott says that in particular they should disregard any suggestion that they should deal with the BSG offer *immediately*. While BSG had asked for acceptance by July 30, it had specifically reserved the right to extend its offer until, at the latest, September 7, he adds.

MINING NOTEBOOK

America could provide a boost for Poseidon

BY LODESTAR

LAST WEEK the 20 cents (9.3p) shares of Poseidon dipped below £10. In recent weeks they have been a sad contrast to the effervescence in the latest Australian nickel king's Selection Trust, Consolidated African Selection Trust and Selcast Exploration. Yet it is still not impossible that what was once the greatest glamour stock of all could in the weeks to come regain a little of its former gloss.

Shareholders are no doubt tired of hearing theories that all will be well once the financing is finally tied up for taking the Windarra nickel find in Western Australia to production. Any such deal, providing it is not too extortionate, would undoubtedly help whether it is with Anglo American Corporation, International Nickel or some other big group.

In the meantime, however, there is another element that could make quite a difference to the whole situation. It is no secret. It has been the subject of public announcements on more than one occasion, as readers of our daily Mining News column will know. It is, in fact, the nickel discovery made earlier this year by the U.S. consortium, Union Oil of California, Homestake Mining and Hanna Mining.

April strike

This, it may be remembered, lies immediately to the south west of the Poisedon group. In an April announcement it was stated that four drills had indicated nickel sulphides on a deposit then reckoned to be 60 feet wide with a strike length of at least 600 feet. The grade was put at *upwards of 1 per cent. nickel.* The news put Poisedon up to £22.

Since then the Americans will obviously have been pressing forward strongly with their exploration. According to the latest reports from Perth, ore has subsequently been hit in 31 out of the 32 drills so far put down. The orebody thus now *looks to be some 3,000 feet along* the strike with a width of 60 feet. It has, in fact, reached sufficiently promising proportions for a decision by the hard-headed Americans to put down an exploratory shaft.

It has also excited the Poseidon management sufficiently for the removal of two drills down to the southern end of the Windarra property to probe for the possible continuation into this ground of the American discovery. There could easily be other intriguing repercussions for the whole area.

Sharing the cost

If the Americans really have a mining proposition, which now looks to have a probability of at least fifty-fifty, then Poseidon's capital outlay on what is these days popularly described as the infrastructure—namely the provision of all the township, power, water and like facilities—could conceivably be halved. It is also possible that there could be an agreement for treatment plant *sharing between the two ventures.*

The introduction into the whole Windarra set-up of the powerful U.S. consortium could, it is thought in Perth, likewise strengthen Poseidon's hand in what are presumably still unconcluded negotiations with its prospective suitors.

It is pointed out there that another progress report is due. It is considered that shareholders, who can hardly be exactly pleased with what many of them persistently regard, justifiably or not, as the "Shierlaw shambles," will express even more displeasure if they do not get some really positive news on this occasion about plans to take their investment from the realms of frustrated hopes in which it now dwells firmly along the path towards the *ultimate and acid test of the* profit-earning stage.

Meanwhile, watching eagerly on the sidelines will be the shareholders in Mallina Mining which is probing the ground next to the Union Oil-Homestake-Hanna find. Last month Mallina entered into a farm-out agreement with Kinetic Mining whereby the latter could earn a 40 per cent. stake in *this ground. At the time it was* stated that diamond drilling would start within two weeks. This was aimed at establishing whether deep drilling would be justifi to test the possible downd extension of the Americans' s phide zone.

There has been no official sta ment since. But it is believ that Mallina already thinks the deep drilling is justified and the the Americans might even interested in helping out with t necessary expense. Mallina clos on Friday at 27p. When its acq sition of the Windarra area clai was first announced in April t shares jumped from 20p to 5 The talk even then was that t U.S. consortium might be anxio to do a deal with Mallina as not in this column on April 13.

BDR advantages

While on the subject of Aust lian shares it is worth wh stressing once again the adv tages of buyers availing the selves of the bearer depo receipt scheme which has be *in operation* for some eighte months now. It is indisputal that most stockbrokers wo prefer their clients to hold A tralians in this form if possi any many brokers will now o deal in BDR or in shares on London register.

BDR are bearer docume issued in London against sha held by bank nominees in A tralia. The paramount advant lies in the speeding up deliveries—delays in which h often caused complete chaos d ing the boom periods of the p few years—and the smoothing of rights claims and divide entitlements.

Under exchange control re lations BDRs must be held in U.K. by what are classified "authorised depositories," that to say banks, stockbrokers a the like. Here again there is f ther advantage in that the sha holder does not have to face the difficulties and expense tha would be involved if he los the relevant piece of paper.

The current list of securit covered by the scheme and a further details can be obtai from the English Association American Bond and Shareholde the Australia and New Zeala banking group and the Natio Bank of Australasia.

Silentbloc still rejects BTR

The Silentbloc Board has written to shareholders rejecting the revised offer from BTR Leyland Industries as inadequate. Mr. C. F. Whitehorn, the Silentbloc chairman, gives shareholders a breakdown of the profit forecasts for 1970-71 and 1971-72 between *divisions.*

The £400,000 forecast profit for the year to September, 1972, is double the projected 1971 figure. It is struck after estimated rationalisation and reorganisation costs and a £28,000 additional contingency provision from a gross pre-tax profit estimated at £647,000.

The Board considers that the £2.63m. BTRL offer is still "substantially below" *the level* at which they would be prepared to consider acceptance.

● comment

Coming up with bid defence bombshells is getting to be something of a habit at Silentbloc. First we had a forecast of doubled profits for 1971-72 after a projected rise of a fifth this year (ending September). Now comes a breakdown of the 1971-72 performance to be, and the upshot is 225 per cent. growth over the £200,000 pre-tax expected this year if £247,000 of exceptional reorganisation costs are added back. Thus the 1972-73 prospect could add up to an exit p/e of 6.8, while harking back to Silentbloc's relatively palmy mid-sixties period (and a share price of 50p) produces a 12 multiple *only.* If Silentbloc has got its future profit sums right, that is impressive.

BRISTOL STREET

Bristol Street Group has acquired capital of T. J. Daniel, a motor dealer which trades as The Motor House, Malvern. *Purchase price is to be based on the* net assets of Daniel at July 31, 1971, and will be satisfied by the initial allotment of 55,000 Bristol Street Ordinary shares, and a balancing payment, in cash, when the accounts at July 31, 1971, have been finalised.

Total consideration is expected to amount to approximately £72,000, of which £35,000 relates to freehold property, and the balance of £37,000 relates to other net tangible assets, including stock at valuation.

ATLAS PAINT-STORRY SMITHSON

The paint division of Atlas Preservative Company is to be merged with Storry Smithson and Co. of Bankside, Hull.

The Atlas range of surface coatings will be continued under the Storitol image while the sales representation and the paint distribution facilities of the Atlas paint division are to be added to those of Storry.

All other non-paint manufacturing and marketing operations of Atlas will continue as hitherto from the Erith, Kent, works, while the production, sales and administration of its transferred paint business will be combined at Storry's Hull factory.

CAKEBREAD ROBEY

Cakebread Robey's offers for Clark Hunt have been accepted by the holders of the following stock: Preference 84,848 (95.8 per cent.), Ordinary 926,846 (97.0 per cent.).

Offers for the Ordinary and Preference stock has been declared unconditional.

ASSOCIATES DEALS

On July 22 Solomon and Co. bought 100,000 Cunard at an average 202¼ for an associate.

On Friday L. Messel bought on behalf of Kleinwort Benson as associates of Trafalgar House 100,000 Cunard at 197½p average.

Norris Oakley Richardson and Glover bought on behalf of an *associate 25,000 Cunard at 200.6p* average.

Rowe Swann bought 5,140 Skipper Group at 75p for associates of Skipper.

Carlebach Scott Young bought 20,000 Silentbloc non assented at 28p on behalf og BTR Leyland.

Laing and Cruikshank bought 15,000 Silentbloc at 28p for BTR Leyland.

The purchases reported Friday of Silentbloc by Carlebach Scott Young and Laing and Cruikshank were on behalf of BTR Industries and not British Leyland.

On July 22, Edward Bates and Sons bought on behalf of associates 5,000 United Scientific Holdings Ordinary at 55¼p, 2,500 at 56p and 2,000 at 56¼p.

Cazenove yesterday bought on behalf of associates of Watney Mann 10,000 Truman at 416p.

Grand Metropolitan Hotels bought 141,500 Truman at 416p average.

Joseph Sebag on Wednesday bought 50,000 J. Myers 10 per cent. Convertible at 180 on behalf of Utd. Drapery Stores.

DIRECT SPANISH TELEGRAPH

The share exchange alternative promised by First National Finance Corporation in respect of *its offer for the shares not already* owned in Direct Spanish Telegraph is on the basis of four Ordinary shares for every 15 shares in Direct Spanish.

This is shown in the formal documents which have now been sent out by First National Industrial Trust. The main offer is 88p cash, the same price at which FNFC bought a 44.7 per cent. *stake in Direct Spanish earlier* this month.

Direct Spanish shareholders are advised by the company's chairman, Mr. R. W. Hampton, to decide for themselves which course of action they should take. He says that the Board does not propose to make any recommendation and that the directors have yet to decide what they will *do in respect of their own share*-holdings.

The offers close on August 13.

CREST HOMES

The increase in demand for houses built by Crest Homes and the benefits of a reorganisation at the En-Tout-Cas Company are continuing, Mr. B. A. Skinner, Crest's chairman, tells share*holders in a letter outlining* details of the acquisition of P & J Plant Hire and Haulage.

Mr. Skinner explains the already reported background to the reduction in the number of shares issued by P & J as a result of a change in the accounting basis at P & J and the consequential alteration in profitability and maintains that *P & J should strengthen* and be of great benefit to Crest.

UNITECH

The directors of Unitech, who are arranging the introduction of the Ordinary shares to the London market, intend, following the introduction, to approach Pantiya Electronics with a view to negotiating terms for an agreed offer, *by way of an exchange of securi*-ties, for the Ordinary share capital of Pantiya not already owned by Unitech. Unitech at present owns 38.67 per cent. of the Ordinary share capital of Pantiya.

The introduction of Unitech's shares is expected to take place towards the end of August.

INCHCAPE

The share exchange offer made by Inchcape's Singapore subsidiary, Inchcape Berhad, for Motor Investments Berhad and Wheelock Mardon and Co. (Malaysia) has been accepted in respect of 96 per cent. and 91 per cent. respectively.

Inchcape Berhad will now be able to acquire *remaining* minority holdings *in* the two companies compulsorily.

YORKSHIRE BRICK

Documents in respect of the agreed offer by Drakes for the Ordinary shares not already owned and the Preference shares in Yorkshire Brick have now been sent out. The offers close on August 16.

INSURANCE

Cover for HP instalments

BY OUR INSURANCE CORRESPONDENT

THE CHANCELLOR'S abolition of all the restrictions as to the amount of deposit and length of borrowing period placed upon hire purchase and credit sales agreements, opens up the way for the greatest "never-never" buying spree since the end of the fifties.

In those days a number of insurers were persuaded into the *writing of default insurance*—the taking of a premium from the finance company to protect it against the failure of its borrowers to pay their due debts. With the benefit of hindsight it seems incredible that such a risk was ever thought to be insurable and that insurers ever thought they would be able to make a profit.

Burnt fingers

Nowadays it is hard to find any underwriter who will admit to having written a default account, though most remember the lessons that were learned. Moreover, there are still sufficient claims men around who poured out money well into the sixties and who remember the cost of this experiment to deter the more optimistic risk takers from burning their fingers again.

Even though default cover will not again be written, nevertheless some insurers can hope to benefit from the sudden change in the hire purchase/credit sale *market—particularly those who* specialise in the sale of accident, sickness and unemployment (AS and U) cover through the large retail outlets and finance houses and have well established accounts based on long experience of this line of business.

Putting it at its simplest, an accident, sickness and unemployment policy is the old familiar disablement policy paying weekly benefit during the policyholder's absence from work for injury or illness and extended to pay the same rate of benefit if his absence is due to unemployment.

Way back in the fifties a few insureres were prepared to sell AS and U cover on an individual basis just as many sell accident or accident and sickness policies to-day. But experience showed that there was a limit to the rate of premium that could be charged and that at the premiums acceptable to the public, the insurers could not make a profit. So insurers concentrated on group schemes, eliminating the degree of selection against them and obtaining wherever possible a geographical spread of purchasers to cushion them against local epidemics and regional pockets and unemployment.

Group schemes

The most usual form of group AS and U scheme is arranged with the retailer doing his own financing or the finance house; AS and U cover is provided for every customer, the premium being paid by the retailer or finance house, its cost being included in the ultimate charge to the customer or counted as part of overheads, as the case may be.

On proof of non-payment of an instalment from the policyholder together with proof of incapacity or unemployment by the customer, the insurers pay the due instalments until he returns to work. Normally they get their premium by charging a rate per cent. on the total gross lendings during the year.

The rate does vary widely pending on the nature of goods which are the subject the hire purchase loan or cre sale, the maximum amount the loan and the length of payment period, the location retailers' or finance houses' op ation and so on.

Insurers have to be particula careful, for example, to avoid p viding cover in areas where the is seasonal unemployment unl this is counter-balanced wit the same scheme by areas healthy industry and commer even so if they are prepared write such a risk the insur would be looking for a high premium than they would for similar one which is more favo *ably located.*

Less attractive

With the present high levels unemployment and with recent spate of business failu in mind this kind of cover is now so attractive to underwrit as it was in the mid-sixties. The is no doubt, however, that AS a U cover can be sensibly and p fitably underwritten provided inexperienced innovators ma haste slowly and learn from tho already well established in t business.

The retailer or hire purchas must not, therefore, expect to g his cover cheaply; to hazard bracket he may have to pay a thing between 1½ and 2½ per ce on his lendings and perhaps mo But by arranging insurance f his customers in this way, if is able, he will be forging weapon against his competito which they may not wish to b or for underwriting reasons m not be able to obtain.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1971 High	1971 Low	Stock	Closing Price p	+ or −	Div. % or Amount	Times Covered	Gross Yield %	P/E Ratio
78	F.P.	3/9	82	78	Allied Polymer	78	......	b18	1.5	5.8	13.5
♦	F.P.	—	153	130	Berwick Timpo (£1)	153	+4	b6	2.6	3.9	9.6
53	75	15/12	89	87	Border & Southern Conv.	85½	+1	—	—	—	—
♦	F.P.	11/8	160	132	British&Can. Inv.	135	+1	9	—	1.7	—
10	F.P.	9/7	116	97	Burston Group	98	−2	b16	1.7	4.1	14.7
—	—	—	132	99	Burton Grp. Warrants	132	+6	—	—	—	—
38	F.P.	21/7	45½	40½	Coley-Rotolin Grp.	41	......	b10	1.7	6.1	9.6
♦	F.P.	30/7	59	50	Commodore Secs.	53½	−1	b12¼	2.2	2.3	19.8
♦	F.P.	—	61	53	Cosalt	58	......	b16	1.6	6.7	8.1
80	F.P.	11/8	95½	80½	Evans of Leeds	95	......	b15	1.4	3.9	18.1
—	F.P.	—	475	370	First Inv. Am. Tst. ($4)	380	......	—	—	—	—
00	F.P.	5/8	103½	97	Glendevon Inv.	102½	......	b12	—	2.9	—
00	F.P.	5/8	112	100½	Do. Do "B"	112	+½	—	—	—	—
82½	F.P.	—	235	180	Jessel Trust	210	......	—	—	—	—
80	F.P.	3/9	123	113	Kettering Motor Serv 10p	113	−2	b40	1.6	3.5	17.1
52	F.P.	27/8	59	55	Lawdon (10p)	59	+1	b35	1.8	5.9	9.5
40	F.P.	4/8	45½	36	Lincroft Kilgour (10p)	36	−2	b27	1.9	7.5	6.9
♦	F.P.	11/8	265	250	Matthews Wright'n 20p	260	−1	†40	1.9	3.1	17.3
82	F.P.	26/8	80	72	NSS Newsagents (10p)	78	−2	b22¼	2.2	2.9	15.4
59	F.P.	—	71	60	Northborough Inv.	68	......	—	—	—	—
—	F.P.	—	86	78	Schlesinger (R1)	79	−1	b4.2	—	3.1	—
00	F.P.	16/7	101½	97	SPLIT Inc. (10p)	101½	+1½	77.3	—	7.6	—
00	F.P.	16/7	105	91½	Do. Cap. (10p)	101½	−½	—	—	—	—
80	F.P.	7/7	91	60	Tigon Group (10p)	89§	......	b23	1.5	2.6	25.7
—	F.P.	—	34	25	Tower Assets (10p)	28	+1	q7½	2.1	2.7	17.8
75	F.P.	4/8	81	71	Tranmer Grp (10p)	74	......	b40	1.7	5.4	11.2

FIXED INTEREST STOCKS

Issue Price	Amount Paid Up	Latest Renunc. Date	1971 High	1971 Low	Stock	Closing Price	+ or −
100	F.P.	—	96	96	Armour Tst. 10½% Part. Conv. '91-6	97	+1
100	£25	15/10	28¾	24½	Automotive Prods. 10¼% Deb. '96-2001	26½	−1½
100	F.P.	27/8	98½	91¼	Barrow Hepburn & Gale 10¾% Ln. Stk. 89/94	91¼	......
100	£25	18/6	32	25	Benemus Hos. 10% Conv. 1977-91	23	−2
100	£35	29/10	35½	34½	Brady (G.) 11% Deb. 1991-96	35½	......
100	£50	—	50	50	Bristol S. Tst. 10¾% M. Deb. '91-6	50	......
—	F.P.	22/7	85¼	82½	Brit. Land 9¾% Uns. 197..	94	......
£100	F.P.	7/7	99	94	Brittains 10¾% Conv. 1991-96	96½	+½
100	F.P.	19/8	106	93	Cannon St. 8½% Part Conv. 1976	105	......
100	F.P.	6/8	113½	108¾	Cap & Counties 8½% Uns. '91-6 (with Warrants)	112	+½
100	nil	6/8	9	5½	Cattle Hlds. 9% Conv. '87-91	8pm	......
100	F.P.	—	99¼	99¼	City Acre 10.2% 1st. Mort. '91-6	99¼	......
£100	F.P.	18/8	115	98½	Cornwall Prop. 10% Partly Conv. 1976	110	......
£97½	F.P.	—	98¾	92¾	Doncaster (D.) 11% Deb. 98-2001	98½	......
£103	F.P.	23/7	111	108	East Anglian Water 10% Red. Pref. '77	108	......
♥£100	F.P.	9/8	109	101	Eng. & Int. 7% Conv. 1985	109	+1½
£100	£50	30/7	60½	50	Euston C. Props. 10.4% 1st M. Deb. '92-7	53½	−¼
£100	£25	13/8	27¾	25	Ford Int. 7¾% Conv. Guar. '80-6	27¾	+¼
£100	F.P.	29/7	105	100¾	Glendevon Inv. 10.6% Deb. '91-96	105	......
£99	£50	1/10	51½	50	Hargreaves 10½% Deb. '92-97	51½	......
£100	£50	24/9	53½	51¾	Hepworth Cer. 10.4% Deb. '92-7	51¾	−½
£97½	F.P.	30/11	98½	98	I.C.F.C. 9% Uns. Ln. Stk. 1977	98	......
♥£100	F.P.	2/7	121	110½	I.C. Gas 7% Conv. 1990-95	110½	−2
£98	F.P.	7/5	109	99¾	I.C.I. 10¾% Uns. Ln. Stk	106	−½
‡‡	F.P.	17/9	103½	86	Kent Castings 10% Part. Conv. 1976	103	+1
‡‡	F.P.	20/8	109	105	Kleeman 7½% Conv. 1981	106	−1
—	F.P.	30/6	74¾	72½	Land Secs. 6¼% 1st Mort. Deb. '78-83	74½	......
—	F.P.	30/6	68½	63	Do. Do. Do. 1993-98	66½	......
—	F.P.	30/6	90	85	Do. 5½% Uns. Ln. Stk '92-7	89¼	......
£103	£10	27/8	18	18	Mid. Sth. Water 10% Red. Pref. '77	18	......
$100	F.P.	—	97½	97½	National Bank of Hungary 6¾% US$ Bds. 1981	97½	......
‡‡	F.P.	15/9	97	92½	Newman Inds. 10½% Part. Conv. '96-8	97	+½
£100	£10	—	9⅞	9⅝	North'pton Corp. 8% Red Stk. '78-9	9⅝	−¼
£100	nil	11/8	12½	8	Plantation 11% Conv. Sub. '91-96	12pm	+5
£100	F.P.	16/9	106	100	Ralli Int. 9% Uns. 1974	104	......
£99	£25	7/10	25½	24¼	Reeves (F. J.) 11% Deb. '96-2001	25¼	......
£100	F.P.	13/8	107	98	Ruberoid 10¼% PrtlyConv. Uns. Ln. Stk. 90-95	107	......
$100	F.P.	—	98½	98½	Sandvikens 9% $ Bonds 1986	98½	......
£100	F.P.	18/8	110½	103½	Scott. Auto. 10% Conv. Uns. '85-90	109	+1
£103	F.P.	23/7	111	108	Sutton Water 10% Red. Pref. '77	108	......
♥£100	F.P.	9/7	104	100½	Temple Bar 5¼% Conv. '85-90	104	......
£100	nil	6/8	5½	3¾	Throgmorton Tst. 6¼% Conv. '88-92	5¾pm	−⅝
£100	nil	—	4¾	3½	Union Comm. 6¼% Conv. 1986	3¾pm	+¼
£104	£10	—	16½	13½	Wrexham & E.D. 10% Red. Pref. 1977	13½	......

"RIGHTS" OFFERS

Issue Price p	Amount Paid Up	Latest Renunc. Date	Stock	Closing Price p	+ or −
$1.00	Nil	—	Anstim	5pm	+½
35	F.P.	3/8	Bimits	80	......
♥A$16.5	37p	2/7	Bougainville Mines	100	−2
140	Nil	2/9	Bovis	36pm	−5
27½	F.P.	30/7	Bridgend Inv.	33½	......
27	Nil	6/8	Scottish Tea & Rubber	4pm	+½
95	Nil	—	Wolsey-Hughes	30pm	+5

Renunciation date usually last day for dealing free of stamp duty. a Placing price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. k Figures based on prospectus or other official estimate for 1969-70. p Pence unless otherwise indicated. ** Issued by tender. ‡ Offered to holders of Ordinary shares as a "rights." ♥ Issued by way of rights. † Rights by way of capitalisation. †† Tender allotment price. ♦ Reintroduced. ‡‡ Issued in connection with reorganisation, merger or take-over. ※ Provincial quotation. ♣ Introduction. ♠ Issued to former Preference holders. * Dealt in under Special Rule. § Price at time of suspension.

Improved prospects in tanker charter market

BY JAMES McDONALD, SHIPPING CORRESPONDENT

THERE were signs by the end of last week in the oil tanker charter market that owners were seeing a glimpse of rather more profitable freight rates. There was less evidence of relet tonnage available and most of the idle tankers lying in the Persian Gulf awaiting employment in July now seem to have been absorbed. Rates still remain very low but technical conditions are now more in favour of a slight revival in freights.

One leading broker, John I. Jacobs, suggests in its weekly *report that there is* "undoubtedly a firmer tone to the market." In the single voyage sector it says the picture in the Persian Gulf is one of plentiful inquiry and relatively thin tonnage availability. But the review cautions that a number of cargoes quoting now would be withdrawn if rates were to rise by *any marked extent.*

"Nevertheless for the time being at least the market is firmer. Although a number of vessels in the 90,000-100,000-tons range were fixed at Worldscale 30 during the course of the week—which rate shows little change—the smaller units have been able to secure substantial premiums *over last week's values.* The latest report is of a 29,000-tonner for a westwards voyage at Worldscale 60; up to W.75 has been paid for shorter employment."

Lambert Brothers, in its weekly report, suggests a nominal rate from Persian Gulf to U.K. or Continent at the end of the week on about Worldscale 35. But it adds that "with a considerable increase in August Persian Gulf inquiry the bottom of the market seems to have been reached with every possibility that rates could harden by some points."

From the Mediterranean to U.K. *or Continent rates closed* last week at Worldscale 65 and from Nigeria to U.K.-Continent at Worldscale 70 (nominal). In the Caribbeans, rates hardened during the week from Caribbeans to USAC to about W.82.5 for handy-size tonnage, compared with W.80 a week earlier.

Activity in the period charter market centred on New York with all the business involving ships of medium-size up to VLCCs (very large crude carriers) mainly for periods of three years. Esso fixed tonnage from early 1972 at W.68¾, and is still open, and Conoco took two ships at the equivalent of W.77-80.

London tea sale

At the tea sales held in London la week 29,783 packages sold realised average price of 43.97p per kilo agai 44.55p at the previous sale and 47.20p year ago. Plain tea was quoted at 39.00

	No. of kilos	Avera per ki
African Highland Prod.	46,396	39
Anglo-Ceylon and Gen.	33,785	43
Balmoral	17,204	46
Blantyre	52,783	40
Bogawantalawa	9,757	51
Central Africa	6,322	4
Central Province	33,857	44
Ceylon Tea Plants.	29,073	43
Consd. Estates	20,190	46
Demodera	6,299	42
East Africa	8,182	49
Kenya	54,698	45
Lanka	8,503	49
Luleri	44,104	43
Lunuva	24,929	45
Malayalam	4,307	40
Mayfield	10,669	47
Namunakula	17,397	45
Nayabedde	13,449	44
Ouvah	19,460	43
Pundaloya	4,492	54
Rajawella	16,723	44
Ruo Estates	12,260	41
Scot. Tea and Lands	51,809	43
Siret	4,217	52
Spring Valley	9,569	45
Standard	36,789	50
Strathspey	8,523	46
Tanganyika	21,939	51
Telbedde	12,298	46
Tukuya	65,316	47
Tyspane	3,138	49

Stock at July 16 amounted to 66,9 metric tons compared with 52,501 metri tons a year ago. Converted at 48.988 kilo per package.

IPEX CLAIMS U.K. RECORD

IPEX 71, the internationa printing machinery and allie trades exhibition, ended a Olympia and Earls Court, London at the week-end, after what claimed to be the highest oversea attendance at any British exhibi tion. Out of a total of 204,43 people since July 13, Industria and Trade Fairs, the organisers said 41,259 were overseas buyers

INTERNATIONAL COMPANY NEWS + OVERSEAS MARKETS

EUROBONDS

Currency crisis gives boost to loans denominated in EUAs

BY WILLIAM LOW

ONE OF THE main beneficiaries of the recent currency upheaval has been the market for Eurobonds denominated in European Units of Account (EUA). At a time when the dollar and D-Mark sectors have been passing through a difficult period, EUA bonds have enjoyed unprecedented popularity with borrowers and investors alike.

The secret of the EUA's current success lies in its formula which affords both borrowers and investors a large measure of protection against wholesale parity changes. Since the beginning of May—when the D-Mark crisis started—six EUA loans, totalling the equivalent of $99.5m., have been floated.

Australia is the latest borrower in EUAs. An international underwriting consortium headed by Banque Lambert is offering 15m. EUAs for 15 years at an expected interest rate of eight per cent. In view of the success of recent EUA loans, there is little doubt that Australia's issue will receive a strong response.

Despite the "boom" in EUAs, many Eurobond operators remain opposed to the unit. Their objections range from the complexity of the EUA formula to complaints of a limited secondary market for EUA bonds.

As regards the secondary market for EUA bonds, the fact is that prices of EUA bonds compare very favourably with those of dollar bonds over the last few years. The major market-maker in EUA bonds is the Kredietbank S.A. Luxembourgeoise, which has recently taken on another trader, boosting the number of full-time traders to six. This means that KSAL must be numbered as one of the most active dealers in the Eurobond market.

As long as the currency crisis continues—and it shows no sign of being solved until the autumn at the earliest—the EUA is likely to be used on an increasing scale by cash-hungry borrowers.

Meanwhile, the market for dollar-denominated Eurobonds remains nervous. Mid-week heavy selling produced fairly sharp falls in the prices of medium- and long-term straight bonds, while convertibles reacted to Wall Street's trend.

The primary market for dollar issues, however, remains reasonably receptive to new offerings, especially if they are by borrowers of sound reputation. Beatrice Foods, which is no stranger to the international capital market, is in the process of raising $25m. by way of a convertible loan, which is expected to carry a coupon of 6½ per cent. and conversion premium of around 10 per cent.

Airlease International's two-tranche straight-debt issue is attracting a strong response which is hardly surprising in view of the four guarantors—Barclays, Midland, Lloyds and National Westminster banks. In fact, the issue is effectively being sold on the strength of the guarantors since no balance-sheet for Airlease has been made available. The wisdom of this omission is open to question.

Deutsche Bank raises stake in tyre maker

By Christopher Lorenz

FRANKFURT, July 25.

THE Deutsche Bank announced that it now holds over 25 per cent. of the DM270m. capital of Continental Gummi-Werke, the North German tyre company. The bank's original stake was 10 per cent., bought in 1969. It already has a holding of over one-quarter in the DM50m. capital of Phoenix Gummiwerke, Conti's closest German competitor.

Deutsche agreed earlier this year not to sell its stake in either of the companies without consulting Bayer, the major chemical group. The bank is believed to be acting as "marriage broker" between the two rubber companies.

Conti and Phoenix have been having talks early this year and are understood to be working their way towards a co-operation agreement as a prelude to a possible merger.

IN BRIEF

● FORSVARETS MATERIELVERK (Material Administration for Armed Forces of Sweden) confirmed order for further 20 Scottish Aviation Bulldog training-aircraft. Discussions on this—first Bulldog repeat order have taken place during last few weeks and aircraft will come from option on 45 aircraft taken out by Forsvarets Materialverk in May, 1970. Additional 20 aircraft will be used by Swedish Army units and bring total number of Bulldogs on firm order for Swedish Armed Forces to 78, with option on further 25 still remaining.

● CREDITANSTALT - BANKVEREIN acquired minority stake in European-American Banking Corp. and European-American Bank and Trust Company, New York affiliates of European Banks International Co. (EBIC). Austrian Bank, which is already affiliated to EBIC itself, did not give details of size or cost of stake. EBIC was formed by Amsterdam-Rotterdam Bank, Deutsche Bank, Midland Bank, and Ste Generale de Banque, and now also includes Ste Generale, of France.

● TEXACO consolidated net income for first half of 1971 amounted to $440.359m. or $1.62 a share, compared with $381.523m. ($1.40) for same period of 1970. Gross production of crude oil and natural gas liquids in first half of 1971, compared with same period of 1970, rose 11.4 per cent., while refinery runs increased 5.2 per cent. Earnings for three months ended June 30, 1971, amounted to $203.576m. or $0.75 a share, compared with $176.100m. ($0.65) for second quarter of 1970.

● FIRST NATIONAL BANK OF BOSTON will move its City of London premises at 4 Moorgate to 3 Cheapside at end of September.

MADRID STOCK EXCHANGE PRICES

Percentage of par values (Ptas.500)

Name of stock	Week's High	Week's Low	Close July 23	Change on week	Div. %	Net yield %
Altos Hornos de Vizcaya	94.25	94	94.25	+2.25	—	5.30
Banco Central	890	882	890	+12	11.97	1.34
Banco de Bilbao	842	842	842	—	13.83	1.64
Banco de Vizcaya	765	762	762	−1	14.22	1.86
Banco Esp. de Credito*	687	680	680	−9	11.33	1.66
Banco Exterior de Esp.	381	380	380	−2	9.95	2.61
Banco Hisp. Americano	713	711	711	+2	12.01	1.68
Auxiliar de Ferrocarriles	124	121	121	−2.50	7.00	5.78
Cia Industrias Agricolas	289	284	287	+2	8.50	2.96
Cia Espanola Petroleos	386	383	386	+7	10.20	2.64
Cia Ins. del Nitrogeno‡	127	125	127	—	6.80	5.35
Cia Sev. Electricidad	222	220.25	220.50	−2.50	9.50	4.30
Cia Telefon. nal Espana	291	289	289.50	−1.50	8.07	2.78
Dragados y Construcciones	535	506	535	+33	8.50	1.58
Ebro Azuc. Alcoholes	700	692	697	+15	13.60	1.95
Espanola del Zinc	127	125	125	−4	5.10	4.08
Fuerzas Elect. Cataluna‡	232	228.50	230	+4	10.00	4.34
Galerias Preciados	313	309	309	+7	11.47	3.71
Hidroelectrica Espanola	232	229	229	−3.75	10.00	4.36
Iberduero	283	278.75	282	−1.50	10.00	3.54
Union y el Fenix Esp.	608	606	606	+4	12.00	1.98
Min. Sid. de Ponferrada†	166.50	165	165	—	10.00	6.06
S.A. Cros	185	183	185	+3	5.10	2.75
El Aguila	290	285	288	−4	5.10	2.75
S. E. Auto. Turismo‡	491	491	491	—	15.00	3.05
Astilleros Espanoles‡	76	74	75	−2	4.25	5.66
Sdad. Met. Duro Felguera	73	72	72	−1	5.00	6.94
Sdad. Nal. Ind. Aplicacion						
Celulosa Esp. Sniace	145	142.75	145	+3.5	8.00	5.51
Union Explosivos R.T.	262	260	262	—	10.20	3.89
Simago‡	—	—	300	—	—	—
Banco de Santander	807	799	807	+10	10.78	1.33

Par values: Ptas.500 except * Ptas.250, † Ptas.150, ‡ Ptas.1,000.
Source Banco Central Madrid.

AUSTRALIAN WEEKLY LIST

Australian $	July 23	July 16	Australian	July 23	July 16
Advertiser Newsp'p'r	1.58-1.59	1.61-1.62	Kiwi Int.	1.54-1.58	1.50-1.53
Ansett Transport	0.66-0.67	0.66-0.67	Lend Lease	3.20-3.25	3.20-3.30
Assd. Securities	1.93-1.95	1.92-1.95	M.L.C.	5.64-5.90	5.70-5.90
Aust. Guarantee	2.00-2.04	2.00-2.05	Mauri Bros. & T.	1.17-1.19	1.14-1.16
Aust.&Kandos C'm't.	0.96-0.98	†0.95	Mayne Nickless	1.45-1.46	1.45-1.48
Aust. Paper Mnfrr.	1.90.1.91	1.91-1.92	Nylex Corpn.	†110	1.10-1.12
Boral	1.50-1.52	1.50-1.52	Olympic Cons.	0.82-0.83	0.82-0.83
Bramble Inds.	1.93-1.94	1.95-1.97	Overseas Corp.	1.66-1.67	1.67-1.70
Burns Philp	3.13-3.20	3.22-3.25	Petersville	0.20-0.21	0.19-0.20
Carlton United Brews	3.60-3.70	3.75-3.80	Queensland Cement	4.20-4.30	4.20-4.30
Carpenter (W.R.)	2.05.2.10	2.01-2.03	Queensland Insnce.	3.15-3.30	3.12-3.50
Castlemaine Perkins	7.80-7.90	‡8.00	Rocla Inds.	1.45-1.46	1.45-1.49
Coal & Allied	†1.30	1.35-1.45	Swan Brewery	2.25-2.30	2.32-2.33
Commercial Bank	2.25-2.32	2.35-2.40	Television	3.05-3.15	3.05-3.10
Commercial Union	†1.83	†1.80	Theiss	3.20-3.30	3.32-3.40
Commonw'lth Mining	3.00-3.20	‡3.20	Thomas Nat. Trans.	1.60-1.63	‡1.60
Grace Bros	2.05-2.10	2.15-2.20	Tooheys	1.83-1.84	1.83-1.87
Hardie Asbestos	3.75-3.80	3.75-3.77	Travelodge	0.95-0.98	0.98-1.00
Herald & Weekly	3.83-3.85	3.83-3.85	Woodside	1.08-1.10	1.28-1.30
Humes	1.82-1.85	†1.80			

† Buyer. ‡ Seller.

TEL AVIV STOCK EXCHANGE

Indices

NEW YORK

DOW JONES AVERAGES

STANDARD AND POORS U.S. STOCK INDICES

	*Industrials	†Composite
July 23	109.01	98.94
22	109.18	99.11
21	109.39	99.28
20	109.42	99.32
19	108.95	98.93
16	109.14	99.11
15	109.36	99.38
1971 High	115.84 (28/4)	104.77 (28/4)
1971 Low	99.73 (4/1)	91.15 (4/1)

* 425 Industrials. † 425 Industrials, 50 Utilities and 25 Rails. (1941=10.)

STOCK AND BOND YIELDS

	July 21	July 15	July 23 1970
Industrial div. yield pc	2.92	2.92	3.88
Price-earning ratio	18.45	18.41	15.32
Long-term Govt. Bds. yield pc	6.18	6.10	6.75

MOST ACTIVE STOCKS

	Shares traded	Closing price	Change on day
Allis Chalmers	636,900	13½	—
Pan Amer. Air.	198,100	12½	+½
Martin Marietta	187,508	20¾	−½
Burlington North	169,300	48½	−½
Bristol Myers	117,400	64½	−1½
Nat. Cash Reg.	104,700	40⅞	−½
CAF	104,600	18	+1⅛
Amer. Tel. and Tel.	101,700	44½	—
Kidde	95,600	25⅞	−½
Bausch and Lomb.	93,600	142½	+6½

TORONTO

INDUSTRIAL INDEX

July 23	July 22	High 1971	Low 1971
179.43	179.20	188.74 (31/4)	173.9 (4/1)

MONTREAL

INDUSTRIAL INDEX

JOHANNESBURG

AUSTRALIA

MELBOURNE YIELD INDICES

Av'ge yield on all Leading Stocks	July 22	July 16	July 15
On Dividends	5.58	5.52	5.52
On Earnings	9.50	9.31	9.31

SYDNEY ALL ORD. INDEX

July 23	July 22	High 1971	Low 1971
485.55	487.33	518.51 (4/1)	477.15 (5/3)

TOKYO

NEW SE INDEX

Base=100 January 4, 1968.

July 24	+ or −	Div. %	Yield %
202.75	+0.15	11.90	3.03

1971 High 204.33 (19/7) Low 148.53 (5/1)

EUROPE

	July 23	Previous	1971 High	1971 Low
Belg'm (**)	105.83	105.81	105.85 (23/7)	92.18 (6/1)
France (bb)	77.2	76.8	78.9 (23/5)	74.8 (6/1)
Germany*	106.30	105.50	112.71 (25/2)	94.96 (6/1)
Holland (o)	121.9	121.8	128.0 (2/4)	112.8 (6/1)
Italy‡	49.73	49.76	60.09 (6/5)	48.94 (12/7)
Sweden (p)	282.16	282.11	292.71 (23/6)	240.71 (6/1)

CANADIAN WEEKLY LIST

SINGAPORE

Industrials firm, Tins and Rubbers very quiet.

HONG KONG

The market was steady.

AUSTRALIA

JOHANNESBURG

OVERSEAS SHARE INFORMATION

NEW YORK

TORONTO

MONTREAL

GERMANY

PARIS

MILAN

TOKYO

STOCKHOLM

COPENHAGEN

AMSTERDAM

BRUSSELS

SWITZERLAND

OSLO

VIENNA

Investment $ Premium 24% (23¼%)

AUTHORISED UNIT TRUSTS (p***)

[illegible]

OFFSHORE AND OVERSEAS FUNDS (p***)

[illegible]

Ebor Management (Jersey)
37, Broad St., St. Helier, Jersey. 0534 20591

Channel Cap.	102.5	109.0	—0.1	1.23
Channel Island	66.6	70.5xd	—0.4	4.65

Internl. Capital Management Ltd.
Regency House, Valletta, Malta.

Med.Inv.Fd(G'th)	32.5	35.2xd	.....	1.80
Med.Inv.Fd.Inc	22.9	25.0xd	.....	8.00

Money & Exchanges

Bank Rate 6% (April 1, 1971)

Credit was in short supply in the Discount market last week, with revenue transfers to the Exchequer outweighing Government disbursements each day except Tuesday, when the disbursements were the bigger. A shortage was carried over by the banks from the previous week, and gilt-edged settlements were against the market's favour of Monday and Tuesday (though foreign exchange settlements on the same two days were favourable). There was a net Treasury bill take-up at times, though on Wednesday, when the banks were making up their monthly balance-sheets, the market held net maturities of the bills. On Friday, a rise in the note circulation was a significant adverse factor.

The authorities gave a very large amount of assistance on Monday, and on Tuesday, buying Treasury bills from banks and Discount houses, and local authority bills from the houses. On Wednesday, the only official help was in the form of a moderate overnight loan at Bank Rate, shared by four or five houses. Thursday brought a large amount of Treasury bills purchasers by the authorities, mainly from the houses, and Friday a small amount from the houses.

At the Treasury bill tender, the Discount market syndicate submitted an unchanged bid of £98.61, and—with £180m. bills offered, and allotted—received a quota of 45 per cent. Near 3-month Treasury bills were quoted for sale after the tender at 5½ per cent. Earlier in the week, 5¼ p ercent. was quoted in some cases, in addition to 5 17/32 per cent. Greater London Council 91-day bills to a value of £35m. were offered by tender on Monday, and the Discount market bid of £98.57¼ (equivalent to about 5 23/32 per cent.) was successful as to 74 per cent. Sales in the market were reported at 5 21/32 per cent.

The yield on 3-month sterling certificates of deposit rose 1/16 per cent. on the week to 6 3/16-6 1/16 per cent. In the inter-bank market, overnight loans commanded a rate as low as 3 per cent. late on Wednesday, and as high as 7 per cent. late on Thursday. On Friday, business was at 5⅞-6 per cent. almost throughout, but there were some late deals at 5¾ per cent.

Loans ⊕		Banks Bills ⊕			Fine Trade Bills		
Day to-dy	Sh'st prds	2 & 3 mths	4 mths	6 mths	3 mths	4 mths	6 mths
4⅞-5¾	4½-6	6 3/16-7/16	6 5/16-7/16	6 3/16-½	7-7⅛	7-7½	7¼-7¾

⊕ Rates at which discount houses take loans or buy bills respectively, as quoted on Friday. Buying rates for Treasury bills in the Discount Market: two months 5 17/32 per cent., three months 5 9/16 per cent.

Finance House Base Rate published by the Finance Houses Association: 7 per cent. from July 1 (unchanged from June).

Sterling was unchanged on balance against the U.S. dollar in inter-bank dealings last week, at $2.41 29/32. The pound fell for a time following the economic measures announced by the Chancellor of the Exchequer on Monday, and at one point on Tuesday was at $2.41¾, its lowest for almost seven weeks. A level of $2.41 15/16 was touched on Wednesday, however. The day-to-day swap position was more or less neutral to start with, but moved in favour of the spot pound as the week went on. Although no marked trend appeared in short-term Euro-dollar rates, Euro-sterling was firmer. The 3-month discount on the pound widened 5/16 cent on balance to 17/32. A feature of the week was the strength of the Canadian dollar, which gained 72 points on balance, at 98.52½ U.S. cents, and was somewhat higher at one time on Friday. Capital market operations, higher interest rates, and reports of demand for Canadian dollars on grain account all played a part in the movement. The dollar had a softer tendency against leading Continentals as well, however. The Bundesbank was reported to sell dollars at times, and official statements on the future of the mark parity strengthened demand for marks. The German unit touched DM3.46 to the dollar at one point, and hardened 92½ points net, to DM3.4640.

There was said to be official support for the dollar in Brussels and Paris, with the local unit in each case at or near its official dollar ceiling, and with the Belgian franc touching Frs.49.61 (against the official limit of Frs.49.62½) on its selling side on Wednesday, when the Brussels market was closed. Dutch guilders lost some ground, but Swiss francs, Italian lire and Swedish kronor were among units to strengthen. Japanese yen remained close to their official ceiling.

The unsettled state of the foreign exchange market contributed to a speculative demand for gold, activity in which was high at times. The London price touched a two-year peak of about $41.90-42.00 an ounce early on Friday, and gained 85 cents on balance, at $41.65-41.85.

FOREIGN EXCHANGES

July 23 1971	Bank Rate %	Market Rates Day's Spread	Close
New York	5	2.41⅝-42	2.41⅞-42
Montreal	5¼	2.44¾-46¼	2.45 7/16-1/16
Amst'dam	5½	8.58½-61½	8.59½-60
Brussels	6	119.90-120.15	120.00-10
Copenh'gn	7½	18.12-14½	18.13¼-¾
Frankfurt	5	8.36½-39½	8.37¾-38¼
Lisbon	3¾	68.65-69.05	68.80-.90
Madrid	6††	168.05-35	168.12-22
Milan	5	1,505-08½	1,507-½
Oslo	4½	17.17-.19½	17.18⅝-⅞
Paris	6¾	13.32½-35	13.33⅝-⅞
Stockh'lm	6	12.47-49	12.47½-48
Tokyo	5½	865-868	864-866
Vienna	5	60.20-45	60.30-35
Zurich	3¾	9.87-90	9.88⅝-⅞

N.B. Bank of England official limits for U.S. $2.38-42. Δ Bank of Portugal discount rate. †† Basic discount rate.

FORWARD RATES

—	One month	Three months
New York	⅛-1/16 c. pm	⅝-½ c. pm
Montreal	½-¼ c. pm	1 5/16-1 3/16 c. pm
Amst'dam	3-2 c. pm	7½-6½ c. pm
Brussels	30-10 c. pm	90-70 c. pm
Copenh'n.	Par-5 ore dis	3-8 ore dis
Frankfurt	1¼-¼ pf. pm	3-2 pf pm
Lisbon	20 c. pm-par	30c. pm-par
Milan	3-1 lire pm	5½-3½ lire pm
Oslo	5 ore pm-par	8-5 ore pm
Paris	2-1 c. pm	5⅝-4⅝ c. pm
Stockh'lm	¾ ore pm-¼ dis	1 ore pm-par
Vienna	15 gro. pm-5 dis	25 gro. pm-par
Zurich	2⅝-1⅞ c. pm	7-6½ c. pm

OTHER MARKET RATES

Australia	2.1429-1514	Malaysia	7.3585-385
N.Zealand	2.1367-1492	Argentine	10.60-10.7
S.Afrika	1.7131-7207		¶12¼-13¾
†India	6.5280-6605	Brazil	12.66-12.82
†⊕Pakistn	3.737-63		¶13¼-15¼
Ceylon	14.170-302	France	¶13.10-40
*Hng Kng	14.530-614	W.G'm'y.	¶8.30-45
Luxemb'g	120.00-10	Spain	¶167-169
Belgium	¶119½-120½	Greece	72¼-½
Italy	♥¶1495-1530	Switzerl'd	¶9.85-95
Holland	¶8.50-65	Austria	¶60-60¾

¶ Note rates quoted by specialist dealers. Other rates may be quoted elsewhere. † £'s per 100 Rps. ⊕ Tourists receive a 45 per cent. bonus on foreign currency surrendered to banks in Pakistan. ♥ Rate for all denominations. * Hong Kong dollars in the pound.

U.S., Canada 98.50-98.55.

REGIONAL MARKETS

[illegible]

♣ Prices in pence and denominations of p unless otherwise indicated. Gross redemption yields are given on Government and Corporation stocks. For explanation of other signs see footnote on inside back page Closing Prices, etc.

EURO-CURRENCY INTEREST RATES

	Sterling	U.S. dollar	Canadian dollar	Dutch guilder	W.German mark	Swiss franc
‡Short-term	5⅞-6¾	5¼-5¾	5½-5¾	¾-2½	4-5¾	—
7-days' notice	—	5⅝-6½	4-4¼	1-2½	4½-5¾	5-6
Month	5⅝-7⅛	6-6½	4⅝-4⅞	3¼-3⅝	5⅝-5⅞	4 1/16-4⅜
Three-months	7 1/16-7 7/16	6⅛-6⅝	4 15/16-5 5/16	4-4¼	5⅞-6⅛	4⅝-4⅞
Six-months	7¾-8¼	6¾-7¼	5 15/16-6 5/16	5¼-5½	6⅝-6⅞	5¼-5⅝
One-year	8 3/16-8⅝	7 5/16-7 7/16	6 11/16-7 1/16	5⅞-6¼	6⅞-7⅛	5 15/16-6¼

Longer-term rates for U.S. dollars as follows: two-years 7¾-8 per cent., three-years 8¼-8½ per cent., four-years 8⅜-8⅝ per cent., and five-years 8½-8¾ per cent.

The following rates were quoted for London dollar certificates of deposit: one month 6⅛-6¼ per cent., three-months 6 7/16-6 5/16 per cent., six-months 7⅛-7 per cent., one-year 7⅝-7½ per cent., two-years 8-7¾ per cent., three-years 8⅜-8¼ per cent., four-years 8⅝-8½ per cent., and five-years 8¾-8⅝ per cent. Longer-term tranche issues were quoted as follows: Midland Int. 6¾ per cent., September 25, 1972, 7⅛-7⅜ per cent., Standard Bank 7¾ per cent., September 18, 1973, 8 1/16-7 15/16 per cent.

‡Short-term rates are call for Sterling, U.S. dollars and Canadian dollars, and two-days' notice for Guilders, Marks and Swiss francs.

SHARE INFORMATION SERVICE: NOTES

The following Notes relate to Share Information Service:—

Denominations are 25p unless otherwise indicated.

Yields allow for value of declared distributions and rights and are based on middle prices.

Estimated price-earnings ratios and "times covered" are based on corporation tax of 40 per cent. and exclude transitional relief.

* Highs and lows marked thus have been adjusted to allow for rights issues for cash.

† Interim (or quarterly) since increased or resumed.

‡ Interim (or quarterly) since reduced, passed or deferred.

⊕ Figures or report awaited.

†† Banks and Insurances; reserve allocations may preclude calculations of dividend cover.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k After local taxes. m Interim higher than previous total. n Rights issue pending. p*** Pence except where otherwise indicated. q Earnings based on preliminary figures. r Australian currency. s Dividends and yield exclude a special payment. t Indicated dividend; cover relates to previous dividend, p/e ratio based on latest available earnings. u Forecast dividend; cover based on previous year's earnings. v Tax-free up to 6s in the £. w Yields allow for currency clause. y Dividend and yield based on merger terms. z Dividends and yield include a special payment: cover does not apply to special payment.

A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Figures based on prospectus or other official estimates for 1971-72. F Figure based on prospectus or other official estimates for 1970. G Assumed dividend and yield after pending scrip and/or rights issue. H Excluding refunds of U.S. Capital Gains Tax. J Figures based on prospectus or other official estimates for 1971. M Figures based on prospectus or other official estimates for 1970-71. N Equivalent rate before additional capital was paid up. P Figures based on prospectus or other official estimates for 1971. S Yields based on 1967 payments. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

‡ Price at time of suspension.

§ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.

Δ Indicates interim dividend, since paid where none was paid before.

** Convertible loan stock issue in existence.

● Merger bid or reorganisation in progress.

♣ Special deposit certificates.

♠ Same interim; reduced final and/or reduced earnings indicated.

‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.

§ Assumes all equity capital ranks for dividends.

☆ Cover does not allow for shares which may also rank for dividend at a future date. No p/e ratio usually provided.

♥ Excluding a final dividend declaration.

☆ Provincial quotations.

|| No par value.

Abbreviations: xd ex dividends; xc ex scrip issue; xr ex rights; xrc ex return of capital; xa ex all; xdr ex drawings; xcd ex capital distribution; xpb ex partial bid.

INSURANCE, PROPERTY, BONDS

[illegible]

Lion Ind. Per. Fd. | 91.7 | +1.9 | —
Lion IndPerFd.Ac | 93.9 | +2.0 | —
Lion Prop. Fund. | 52.1 | ..... | —

Irish Life Assurance Co. Ltd.
11, Finsbury Square, E.C.2. 628 8253
PropMod'les July1 | 112.1 118.0 | ..... | —

King & Shaxson Ltd.
52, Cornhill, E.C.3. 623 5433
Bond Fund | £101.18 101.44 | —0.22 | —
Next sub. Aug. 4

Life & Equity Assurance
155, Fenchurch Street, E.C.3. 01-623 7535
Sel.Inv.Fd.July19 | 33.5 35.0 | ..... | —
Sel. An.Fd.July19 | 52.0 54.5 | ..... | —

Property Growth Assur. Co. Ltd.
72, Brook Street, W.1. 01-499 4171
♥Ab.Nt.P.Gth Bds | 109.5 110.5 | ..... | —
♥Pro. Gth.Ag. Bds | 505.0 515.0 | ..... | —
♥Pro'tyGr'th Bds. | 125.5 129.0 | ..... | —

Prudential Pensions Limited
Holborn Bars, EC1N 2NH. 01-405 9222
Equity Fd. June21 | £15.24 £15.85 | ..... | —
FixedInter.June21 | £9.90 £10.21 | ..... | —
Propty Fd. June21 | £10.07 £10.38 | ..... | —

Reliance Mutual
Tunbridge Wells, Kent. 0892 22271
♥Reliance Prop.Bds | 105.6 | ..... | —

NOTES

§ Yield allows for all buying expenses. a Offered prices include all expenses. b To-day's price. c Yield based on offer price. d Estimated. g To-day's opening price. h Distribution free of U.K. taxes. p*** Pence except where otherwise indicated. y Offered price includes all expenses if bought through managers. † Excluding securities profits payment. z Previous day's price. ≠ Offered price includes all expenses except agent's commission. § Single premium insurance bonds. ◆ Share split. ♡ Net of tax on capital gains. ● Not authorised by the Board of Trade. || Guernsey yield.

FINANCIAL TIMES STOCK INDICES

—	July 23	July 22	July 21	July 20	July 19	July 16	A Year ago
Government Sec.	74.39	74.99	74.97	74.83	75.44	75.74	69.56
Fixed Interest	74.14	74.52	74.64	74.55	74.75	74.77	71.22
Industrial Ordinary*	405.7	405.7	404.4	408.9	413.1	410.0	339.4
Gold Mines	‡54.7	53.9	53.2	53.3	53.5	52.6	49.9
Ord. Div. Yield pc	3.80	3.80	3.81	3.77	3.74	3.76	4.94
Earnings Yield pc (a)	5.89	5.90	5.88	5.81	5.77	5.81	6.75
P/E Ratio (a)	16.97	16.95	17.01	17.21	17.33	17.23	14.81
Dealings Marked	12,580	13,653	14,022	15,909	16,817	14,490	8,306

*10.30 a.m. 405.8 Noon 405.5 2.45 p.m. 404.2

(a) Based on 40% corporation tax from March 30, 1971. Latest Index 01-246 8026

HIGHS AND LOWS

—	1971 High	1971 Low	Since Compilation High	Since Compilation Low
Govt.Secs.	75.74 (16/7/71)	68.83 (4/1/71)	127.4 (9/1/35)	64.21 (11/6/69)
Fixed Int.	74.77 (16/7/71)	69.65 (4/1/71)	150.0 (28/11/47)	67.12 (11/6/69)
Ind. Ord.	413.1 (19/7/71)	305.3 (5/3/71)	521.9 (19/9/68)	49.4 (26/6/40)
Gold Mines.	61.3 (18/3/71)	52.3 (9/7/71)	100.0 (12/8/56)	44.0 (13/1/70)

S.E. ACTIVITY

—	July 23.	July 22
Daily—		
Gilt-Edged	186.5	183.5
Industrials	456.8	501.1
Speculative	204.6	185.6
Totals	286.3	310.8
5-day ave—		
Gilt-Edged	196.7	200.4
Industrials	548.1	564.2
Speculative	176.9	170.4
Totals	332.2	340.9

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 9/55. S.E. Activity July-Dec. 1942. ‡ Corrected figure.

ACCOUNT DEALING DATES

Option *First Dealings	Declarations	Last Dealings	Account Day
July 12	July 22	July 23	Aug. 3
July 26	Aug. 5	Aug. 6	Aug. 17
Aug. 9	Aug. 19	Aug. 20	Sept. 1

* "New time" dealings may take place from 5 p.m. three business days earlier.

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CORAL INDEX

Close 405-410

UNIT TRUST PRICES

(Supplied by Managers)

Prices in pence	July 26	
National Group (1)		
Nat. Unit 'D' Second Series	141.5	149.0
Century Trust	42.0	43.2
Nat. Consolidated Unit Trust	232.0	242.9xd
Universal Second Unit Trust	92.8	98.8
Commercial Consolidated	246.0	256.2xd
Hundred Trust	40.0	41.2
Gas & Electric Second Series	376.0	388.4
Inv. Sec. General Trust	51.2	53.2xd
Investors General Trust	213.0	222.4
Provident Investors Second	126.5	134.2

Finance House Base Rate (published by the Finance Houses Association) 8 per cent.

EXCHANGE CROSS-RATES

July 23	Frankfurt	New York	Paris	Brussels	London	Amsterdam	Zurich
Frankfurt	—	3.4645-50	62.83-88	6.964-988	8.3240-45	97.42-47	84.73-83
N.York	28.865-870	—	18.1375-1425	2.0143-55	2.4191-4193	28.13-136	24.47-475
Paris	159 0-10	5.5127-35	—	11.1065-1130	13.33-34	155.07-17	134.65-95
Brussels	14.31-32	49.62½-¾	9.0-00½	—	120.05-06	13.95½-96	12.14¼-½
London	8.37¾-38¼	2.41⅞-42	13.33⅝-⅞	120.0-10	—	8.59¾-60	9.23⅜-⅞
Am'd'm	102.56¾-61¼	3.55 [illegible]	64.46½-51½	7.16¼-¾	3.59¾-60¼	—	87.0 05
Zurich	117.67-80	4.0860-65	74.12-16	8.25¼-34¼	3.894-898	114.67-91	—

U.S.$ on Montreal 1.02 3/32-¼. Canadian $ on New York 0.9840-9845. Milan on New York 622.00. Milan on London 1505.50.

WEEKLY AVERAGES OF U.K. INDICES

Week to—	July 23	July 16	July 9	July 2
Financial Times				
Govt. Secs.	74.92	75.49	74.40	73.98
Fixed Interest	74.50	74.46	73.66	72.93
Industri'l Ord.	407.6	403.3	334.6	320.2
Gold Mines	53.7	52.4	52.6	52.8
Dealings mkd.	14,596	13,343	11,335	11,446

Week to—	July 23	July 16	July 9	July 2
F.T.-Actuaries				
Ind. Group	167.19	164.06	156.91	156.50
500-Share	183.16	180.45	173.39	172.31
All-Share	179.72	176.04	169.15	168.03
20-year Govt.	79.21	80.21	78.41	77.71
Red. Debs.	72.39	72.31	71.88	71.18

APPOINTMENTS

Sir L. Rowan joins Gresham Life Board

Sir Leslie Rowan has been appointed a director of GRESHAM LIFE ASSURANCE SOCIETY.

Sir Leslie recently became vice-chairman of Legal and General Assurance Society and has been a director of that society since August, 1963. He was chairman of Vickers until his retirement from the post in June.

Sir Leslie Rowan

★

Mr. Barry Gittins has been appointed managing director of WALLACE BROTHERS COMMODITIES and WALLACE LOBO. Mr. R. T. Graftey-Smith and Mr. R. C. Watts have resigned from the Board of both companies.

★

Mr. Ian Abrahams has resigned as chairman of BRITTANNIA STUDIOS INTERNATIONAL, to devote more of his time to the recently formed Crown International Productions, Television International Operations, and Crown Cassette Communications.

★

Mr. A. A. Benham has been appointed sales director of WILLIAM THYNE. Mr. R. S. Scott has joined the Board.

Mr. John H. M. Taylor has been appointed to the Boards of CELLOGLAS and DISPRO and becomes secretary of both companies.

The companies are members of the Mardon Packaging International group.

★

Mr. Brian Chapman and Mr. Colin Maloney have been appointed to the Board of CHAPMAN STEVENS (INVESTMENTS). Mr. A. F. de St. Dalmas has been made a director of Chapman Stevens (Insurance).

★

Mr. Alan M. Dix, managing director of Volkswagen Motors, has been appointed a councillor of the newly formed German Chamber of Industry and Commerce in the U.K.

★

Mr. Philip F. Barton has been appointed to the Board of DRAKE AND SCULL ENGINEERING.

★

WCB Group has formed WCB Plastics Developments from what was the vinyls division of Belgrave Industries.

Mr. Harry Grimshaw, who as technical director of Belgrave Industries was responsible for the vinyls division, will be technical director of the new company.

★

STOCK EXCHANGE PARTNERSHIPS

Mr. W. C. Cates and Mr. D. J. J. Connelly have joined HENRY J. GARRATT AND CO. (brokers) as associated members.

WHAT THE BROKERS SAY

DESPITE THE doubling of the share price since last November, REDLAND is still considered to be undervalued by W. Greenwell and Co. The broker thinks that purchases should be made before the market appreciates the medium-term prospects.

Profit margins in the U.K. have been restored to the 1967/68 level by closing older works and through price increases. Redland's European companies contribute in excess of 40 per cent. of attributable profits, and further expansion is expected for concrete roofing tiles and new products in Germany and France. Profits from Australia should double over the next two years, and the outlook for the American subsidiary is promising.

Joseph Sebag and Co. considers that the whole future of the investment premium is fraught with uncertainty. But "it is unlikely that it will disappear within at least three years, and consequently it could prove unwise to forgo otherwise attractive purchases or stock-switching."

In the engineering sector MARTONAIR is thought to be "one of the few genuine growth" companies. The wide spread of sales reduces its susceptibility to economic down swings.

The other main recommendation is COATS PATONS. It has a relatively stable record among textile majors and very broad geographical spread of its interests. Sebag considers the shares a sound long-term holding.

Western inflation "not disastrous"

FINANCIAL TIMES REPORTER

THE CURRENT inflationary problem in Western industrialised countries is serious but not disastrous in the opinion of Mr. Gardner Ackley, former chairman of the U.S. Council of Economic Advisers.

In a pamphlet published by the Atlantic Institute, Mr. Ackley says: "Currently inflation is slowing down. The true costs of mild inflations must not be (although they sometimes are) exaggerated."

Confidence that inflation can be contained should rest on the simple fact that inflation gave hardly anyone any permanent advantage, he continues. Apart from the arbitrary redistribution of income which takes place, the author points out, there is "a tendency to assume that inflation reduces almost everyone's real income."

Mr. Ackley says the achievement of better control over inflation may well involve further expansion of the role of government in economic life. "Yet to the extent that its policies succeed in containing inflation, the expansion of government's role should have the result of widening rather than narrowing individual freedoms."

The author repeats a suggestion he made in 1958 that the U.S. Government should establish a price-wage review board, with powers to require prior notice of wage and price changes and suspend such changes for a limited period.

Insufficient use has been made of all the weapons available against inflation, and "to the maximum extent possible, the existence of a price-incomes policy (although not, obviously, the details of the policy) should cease to be considered a partisan issue, but rather come to be regarded as a regular and permanent aspect of the U.S. stabilisation system."

Stemming World Inflation, Atlantic Institute; British Representative: Maynards, Little Sampford, Essex; 50p.

THE WEEK'S FINANCIAL DIARY

The following is a record of the principal business and financial engagements during the week. The Board meetings are mainly for the purpose of considering dividends and official indications are not available whether dividends concerned are interims or finals. The subdivision shown below is based mainly on last year's time-table.

TO-DAY

COMPANY MEETINGS—
Amber Industrial, 2 St Mary Axe, E.C., 2.30.
Ambrose Investment Trust, Great Eastern Hotel, E.C., 12.30.
Black-Clawson International, Croydon, 11.30.
Bradwall (F.M.S.) Rubber Estates, 10, Mincing Lane, E.C., 12.
Hampton Properties, Edinburgh, 12.
London and Country Commercial Property Investments, Liverpool, 11.
Lunuva (Ceylon) Tea and Rubber Estates, 14, St. Mary Axe, E.C., 11.
Monk (A.), Warrington, 3.
Monks Investment Trust, 4 Copthall Court, E.C., 2.15.
Pegler-Hattersley, Doncaster, 12.
Plushpile (Wharf Mill) Ashton-Under-Lyne, 2.30.
Scotcros, Glasgow, 12.
U.K. Optical and Industrial, Winchester House, E.C., 12.
Walker Crosweller, Cheltenham, 12.
Whitecroft, Manchester, 12.

BOARD MEETINGS—
Finals:
Anderson Mavor
Balmoral (Ceylon) Estates.
Best and May.
Dowty Group.
Land Securities and Inv. Tst.
London Sumatra Plantations.
Lovell (G. F.).
Makin (J. and J.) Paper Mills.
Stancroft.
Williams Furniture.
Interims:
Dubilier.
Geduld Investments.
Herbert (Alfred).
U.C. Investments.
Westinghouse Brake.

DIVIDEND & INTEREST PAYMENTS—
Angus Restaurants, 1.25p.
Barlow (Thos.) and Sons, 4 cts.
Bullough Secs., 1.4p.
C.N.A. Investments, 7.2644p.
Clark Nickolls and Coombs, 3p.
Duff Development, 1.25p.
Golden Egg Group, 1.5p.
...
Clover Dairies, 3.75p.
Consd. Co. Bultontein 2.9167p.
Doncaster (Daniel), 1.5p.
Electronic Rentals and Gen. Hldgs., 1.125p.
Electrical Tst. 2.375p. Do., 0.125p.
Godfrey's, 0.375p.
Griqualand West Diamond Mining, 14.5833p.
Highams, 1.5p.
Janes (H. C.), 2.75p.
Lead and Alloys, 6.875p.
London and Aberdeen Inv. Tst. Dfd. Ord., 1.8p. Do. Prefd. Ord., 1.8p.
Mann Egerton, 1.875p.
Mitchell Construction, 5p.
Mountview Ests., 0.6p.
New Jagersfontein Mining and Expln. (Reg.) 2.91667p. Do. (Br.), 2.91667p.
Press (Wm.) and Son, 0.6p.
Rediffusion, 2.9167p
Rediffusion Tel. Ptg. Pref. Ord., 3.25pc.
Rexmore, 4.5p.
Silentbloc Hldgs., 0.5p.
Steel Bros. Hldgs., 5.5p.
Tiger Oats and Nat. Milling Pref., 2¼ pc.
Trustees Corp., 4.375p.
Tunnel Cement B Ord., 5p.
United Spring, 0.45p.
Walkers (Century Oils), 1.9p.

FRIDAY, JULY 30

COMPANY MEETINGS—
Ault and Wiborg, 71, Standen Road, S.W., 12.
Ceylon Consolidated, 27, Martin Lane, E.C., 12.
Chaplin Holdings, Emu House, E., 12.20.
Chapman (Balham), Winchester House, E.C., 12.
Charlwood Alliance, 113, Chancery Lane, W.C., 12.
Cummins Engine, New Maldon, 11.30.
Emu Wine, Emu House, E., 12.
Giltspur Investments, May Fair Hotel, W., 12.
Globe and Phoenix Gold Mining, 20, Aldermanbury, E.C., 12.
Goldrei (Charles) Foucard & Son, Llewellyn Street, S.E., 12.
Halma Investments, 5, Belgrave Square, S.W., 12.
Hanipha Ceylon Tea and Rubber, 37 Queen Street, E.C., 11.
Midland-Yorkshire Tar Distillers, Warley, 2.15.
Montagu Trust, Augustine House, E.C., 12.
Permali, Gloucester
Premier Consolidated Oilfields, Winchester House, E.C., 12.
Property Partnerships, Norwich, 12.
Telbebbe Ceylon Investments, 21, Mincing Lane, E.C., 2.30.
Tecalemit, 20, Aldermanbury, E.C., 12.
Tesco Stores, Connaught Rooms, W.C., 12.
Woodhead (Jonas), Leeds, 2.30.
Whyte (Andrew), Edinburgh, 12.

BOARD MEETINGS—
Finals:
Brown (John)
...

Continued in next column

TREND OF INDUSTRIAL PROFITS

ANALYSIS OF 1,368 PUBLIC COMPANIES

The Financial Times gives below its monthly table of company profits and balance-sheet analysis. This covers the results (with the preceding year's comparison in brackets) of 1,368 companies which publicised their reports during the first six months of 1971. The cumulative record of the 1970 series covered the results of 2,694 public companies. (Figures in £'000.)

INDUSTRY	No. of Cos.	Trading Profits (1)	% change	Profits before Int. & Tax (2)	Pre-Tax Profits (3)	Tax (4)	Earned for Ordinary Dividends (5)	% change	Ord. Dividends (6)	% change	Cash Flow (7)	Net Capital Employed (8)	Net Return on Capital % (9)	Net Current Assets (10)
AIRCRAFT & COMPONENTS	4	35,003 (33,829)	+3.5	25,995 (24,068)	16,613 (19,274)	6,084 (8,373)	9,395 (9,812)	−4.2	7,705 (7,672)	+0.4	11,998 (11,318)	237,872 (235,210)	10.1 (10.2)	107,613 (114,304)
BUILDING MATERIALS	81	166,166 (153,774)	+8.1	112,121 (99,121)	89,337 (80,946)	37,088 (35,575)	47,007 (40,355)	+16.5	34,873 (32,657)	+6.8	62,526 (55,577)	900,141 (849,434)	12.5 (11.7)	208,684 (199,899)
CONTRACTING & CONSTRUCTION	71	94,616 (85,926)	+10.1	63,612 (57,330)	50,464 (47,720)	23,156 (23,271)	26,475 (24,437)	+8.3	12,849 (12,088)	+6.3	41,886 (37,082)	442,498 (369,898)	14.4 (15.5)	111,792 (96,687)
ELECTRICALS (EX. ELECTRN, ETC.)	17	66,697 (61,673)	+8.1	49,939 (45,869)	38,889 (38,054)	17,132 (17,446)	17,557 (16,426)	+6.7	12,147 (11,532)	+5.3	21,214 (19,791)	381,372 (356,754)	13.1 (12.9)	149,300 (151,353)
ENGINEERING	144	240,913 (228,971)	+5.2	178,408 (169,631)	151,016 (148,583)	69,025 (68,913)	76,632 (73,818)	+3.8	46,649 (48,268)	−3.4	86,265 (76,786)	1,317,504 (1,238,093)	13.5 (13.7)	517,235 (494,564)
MACHINE TOOLS	20	25,604 (19,248)	+33.0	18,712 (13,138)	14,016 (9,557)	6,028 (4,992)	7,448 (4,127)	+80.5	3,444 (3,778)	−8.8	9,669 (5,403)	174,108 (161,632)	10.7 (8.1)	76,430 (64,638)
SHIPBUILDING	3	−234 (−636)	*	−2,139 (−2,410)	−2,354 (−2,556)	756 (258)	−1,609 (−1,932)	*	150 (1,115)	*	−142 (−1,647)	39,273 (32,370)	* (*)	4,121 (7,476)
MISC. CAPITAL GOODS	45	79,615 (73,273)	+8.7	62,722 (57,717)	53,941 (50,657)	23,382 (24,061)	26,631 (22,036)	+20.9	16,778 (16,303)	+2.9	24,105 (19,273)	397,407 (384,478)	15.8 (15.0)	160,700 (162,506)
TOTAL CAPITAL GOODS	385	708,379 (656,058)	+8.0	507,270 (464,464)	411,922 (392,235)	181,622 (181,809)	209,536 (189,112)	+10.8	134,587 (133,411)	+0.9	256,321 (223,682)	3,880,175 (3,627,849)	13.1 (12.8)	1,335,87[illegible] (1,291,4[illegible])
ELECTRONICS RADIO & TV	16	51,319 (42,702)	+20.2	30,298 (23,991)	23,957 (19,612)	9,547 (8,072)	15,727 (10,812)	+27.0	7,071 (5,886)	+20.2	26,904 (22,981)	197,146 (187,229)	15.4 (12.8)	92,135 (85,960)
HOUSEHOLD GOODS	36	33,409 (33,264)	+0.4	24,761 (24,760)	22,156 (21,830)	9,879 (10,321)	11,890 (11,077)	+7.3	7,957 (8,149)	−2.4	11,408 (10,047)	174,586 (168,129)	14.2 (14.7)	73,892 (74,600)
MOTORS & COMPONENTS	33	234,471 (273,314)	−14.2	130,810 (169,881)	83,987 (135,675)	43,523 (62,671)	32,820 (66,113)	−50.4	26,137 (43,844)	−40.4	112,733 (119,543)	1,395,940 (1,227,912)	9.4 (13.8)	350,69[illegible] (369,29[illegible])
MOTOR DISTRIBUTORS	32	25,438 (19,937)	+27.6	19,496 (14,743)	13,312 (9,168)	5,648 (4,279)	7,177 (4,396)	+63.3	4,017 (3,499)	+14.8	7,561 (4,689)	151,103 (137,292)	12.9 (10.7)	35,419 (28,420)
TOTAL CONSUMER DURABLE	117	344,637 (369,217)	−6.7	205,365 (233,375)	143,412 (186,285)	68,597 (85,243)	66,614 (92,398)	−29.0	45,182 (61,377)	−26.4	158,603 (157,260)	1,918,785 (1,720,562)	10.7 (13.6)	552,13[illegible] (568,27[illegible])
BREWERIES	22	175,789 (155,967)	+12.7	146,065 (127,593)	119,253 (105,700)	50,326 (46,900)	64,713 (54,832)	+18.0	42,358 (39,101)	+8.3	50,796 (40,542)	1,213,788 (1,158,871)	12.0 (11.0)	48,544 (51,901)
DISTILLERIES & WINES	5	6,064 (6,505)	−6.8	4,987 (5,549)	3,838 (4,454)	1,692 (2,002)	2,133 (2,332)	−8.5	1,336 (1,275)	+4.8	1,593 (1,756)	43,538 (40,928)	11.8 (13.6)	20,115 (20,035)
HOTELS & CATERERS	16	54,322 (45,852)	+18.5	44,456 (37,428)	33,443 (30,050)	12,747 (12,342)	19,021 (16,082)	+18.3	9,624 (9,252)	+4.0	18,247 (14,176)	357,183 (314,591)	12.4 (11.9)	−26,363 (−18,832)
LEISURE	27	27,977 (21,698)	+28.9	16,939 (12,064)	14,504 (10,018)	5,880 (4,202)	7,924 (5,066)	+56.4	4,651 (3,658)	+27.1	13,361 (10,226)	82,126 (72,903)	20.6 (16.5)	−6,269 (2,256)
FOOD MANUFACTURING	37	275,881 (258,036)	+6.9	189,969 (179,454)	149,555 (146,924)	69,796 (69,173)	72,399 (68,837)	+5.2	49,372 (50,986)	−3.2	105,165 (92,120)	1,693,502 (1,594,443)	11.2 (11.3)	457,281 (436,765)
FOOD RETAILING	20	26,706 (25,431)	+5.0	19,585 (18,968)	17,273 (16,866)	7,346 (7,870)	9,621 (8,733)	+10.2	4,922 (4,429)	+11.1	10,454 (9,557)	119,245 (109,666)	16.4 (17.3)	4,382 (10,598)
NEWSPAPERS AND PUBLISHING	34	46,804 (50,082)	−6.5	34,107 (38,084)	27,463 (32,360)	12,842 (14,540)	12,012 (14,878)	−19.3	9,455 (8,721)	+8.4	12,869 (15,851)	233,008 (217,668)	14.6 (17.5)	39,899 (48,270)
PACKAGING AND PAPER	28	96,110 (90,630)	+6.0	62,972 (61,189)	48,306 (48,375)	22,177 (22,599)	23,423 (22,580)	+3.7	16,394 (17,849)	−8.2	38,690 (33,076)	535,446 (516,733)	11.8 (11.8)	121,82[illegible] (123,48[illegible])
STORES	47	223,271 (204,485)	+9.2	191,648 (174,785)	178,277 (163,557)	73,400 (74,334)	102,844 (87,090)	+18.1	73,109 (68,005)	+7.6	54,350 (40,767)	963,413 (905,154)	20.1 (19.3)	167,61[illegible] (165,26[illegible])
CLOTHING AND FOOTWEAR	71	36,796 (34,904)	+5.4	27,811 (26,221)	23,002 (22,488)	9,870 (10,516)	12,643 (11,426)	+10.7	7,419 (6,769)	+9.6	11,621 (10,811)	181,753 (162,379)	15.3 (16.1)	64,680 (57,640)
TEXTILES	53	77,943 (73,259)	+6.4	55,910 (52,634)	43,005 (41,475)	19,609 (19,308)	20,247 (19,260)	+5.1	17,230 (17,316)	−0.5	22,549 (20,300)	475,623 (447,316)	11.8 (11.8)	196,34[illegible] (181,49[illegible])
TOBACCO	3	294,499 (249,536)	+18.0	260,280 (221,651)	240,397 (209,883)	103,481 (94,279)	134,172 (104,269)	+19.1	62,172 (58,403)	+6.5	90,454 (69,825)	1,496,260 (1,328,776)	17.4 (16.7)	844,17[illegible] (790,81[illegible])
TOYS AND GAMES	4	1,488 (5,955)	−75.0	200 (4,638)	−353 (4,360)	349 (2,314)	−744 (1,972)	*	226 (558)	−59.5	182 (2,517)	21,686 (18,195)	0.9 (25.5)	5,483 (5,718)
TOTAL CONSUMER NON-DURABLE	367	1,343,650 (1,222,342)	+9.9	1,053,929 (960,258)	897,983 (835,530)	389,415 (380,379)	470,408 (417,347)	+12.7	298,268 (286,322)	+4.2	430,331 (361,524)	7,406,569 (6,887,613)	14.2 (13.9)	1,937,7[illegible] (1,875,3[illegible])
CHEMICALS	29	448,291 (453,083)	−1.1	283,995 (298,580)	229,323 (252,883)	90,863 (106,525)	123,547 (130,894)	−5.6	89,488 (85,065)	+5.2	186,855 (189,634)	2,426,541 (2,229,038)	11.7 (13.4)	572,10[illegible] (560,77[illegible])
OFFICE EQUIPMENT	15	35,584 (33,169)	+7.3	26,498 (25,111)	24,616 (23,682)	10,598 (10,564)	13,674 (12,725)	+7.5	6,762 (6,453)	+4.6	14,208 (12,602)	129,189 (117,551)	20.5 (21.4)	50,726 (49,130)
OIL	8	1,116,365 (1,003,815)	+11.3	867,255 (771,588)	805,403 (719,383)	516,344 (411,751)	265,878 (281,777)	−5.6	177,887 (178,754)	−0.5	355,167 (333,083)	4,970,009 (4,657,607)	17.4 (16.6)	900,2[illegible] (889,63[illegible])
SHIPPING	17	80,417 (84,937)	−5.3	38,082 (44,511)	28,895 (37,763)	4,391 (5,188)	22,060 (31,353)	−29.6	16,138 (15,157)	+6.5	46,725 (54,211)	741,384 (647,005)	5.1 (6.9)	62,23[illegible] (66,11[illegible])
INDUSTRIAL HOLDING CO.	39	154,779 (134,945)	+14.7	119,863 (103,325)	99,167 (84,286)	41,152 (37,374)	47,461 (34,328)	+38.3	27,030 (23,084)	+17.1	51,910 (39,613)	832,374 (769,598)	14.4 (13.4)	172,36[illegible] (156,5[illegible])
MISC. INDUSTRIAL	55	69,253 (63,416)	+9.2	49,198 (45,436)	42,952 (40,371)	17,572 (17,537)	24,406 (21,942)	+11.2	(13,844) (12,392)	+11.8	28,300 (24,993)	341,723 (304,872)	14.4 (14.9)	36,31[illegible] (43,53[illegible])
TOTAL INDUSTRIALS	1,032	4,301,365 (4,019,982)	+7.0	3,151,465 (2,946,648)	2,683,673 (2,572,418)	1,320,554 (1,236,270)	1,242,584 (1,211,876)	+2.5	809,176 (802,005)	+0.9	1,508,320 (1,396,602)	22,646,749 (20,961,695)	13.9 (14.1)	5,620,[illegible] (5,480,6[illegible])
BANKS	5	286,497 (249,275)	+14.9	249,760 (220,014)	240,250 (217,259)	107,726 (102,708)	126,169 (108,936)	+15.8	49,375 (46,016)	+7.3	112,697 (88,783)	1,543,365 (1,363,380)	16.2 (16.3)	604,29[illegible] (576,48[illegible])
DISCOUNT HOUSES, MERCHANT BANKS, etc	21	26,431 (20,724)	+22.7	— (—)	— (—)	— (—)	16,034 (13,239)	+21.1	9,584 (8,181)	+17.1	— (—)	‡4,415,013 (‡3,510,381)	— (—)	131,57[illegible] (112,65[illegible])
HIRE PURCHASE	4	15,641 (12,584)	+24.3	14,506 (11,764)	8,068 (6,697)	3,376 (3,003)	4,381 (3,342)	+31.1	3,071 (2,442)	+25.8	2,183 (1,498)	109,530 (84,958)	13.2 (13.8)	20,382 (17,833)
INSURANCE	24	130,609 (101,506)	+28.7	— (—)	— (—)	— (—)	95,329 (75,770)	+25.8	74,500 (68,147)	+9.3	— (—)	7,243,185 (6,702,805)	— (—)	−287,3[illegible] (−267,0[illegible])
INSURANCE BROKERS	11	43,130 (33,324)	+29.4	34,501 (27,095)	24,663 (19,801)	10,404 (8,480)	13,828 (10,979)	+25.9	7,231 (6,000)	+20.5	13,022 (9,164)	168,195 (137,882)	20.5 (19.7)	14,877 (12,941)
INVESTMENT TRUSTS	160	124,620 (118,960)	+4.8	122,359 (115,966)	100,783 (95,520)	7,497 (7,699)	88,817 (83,370)	+6.5	82,520 (79,000)	+4.5	6,215 (4,276)	2,223,169 (2,319,189)	5.5 (5.0)	50,28[illegible] (39,36[illegible])
PROPERTY	34	38,426 (31,948)	+20.3	37,149 (30,898)	19,127 (15,636)	6,786 (6,030)	11,708 (9,144)	+28.0	8,618 (7,385)	+16.7	3,497 (2,260)	505,743 (443,630)	7.3 (7.0)	−41,3[illegible] (−29,9[illegible])
MISC. FINANCIAL	12	50,145 (37,938)	+32.2	44,644 (33,626)	28,105 (22,128)	10,510 (8,552)	15,622 (12,087)	+29.2	9,256 (6,817)	+35.5	10,670 (8,837)	265,675 (205,537)	16.8 (16.3)	99,65[illegible] (84,71[illegible])
TOTAL FINANCIAL	271	714,499 (606,259)	+17.9	502,919 (441,263)	420,976 (377,041)	146,299 (136,472)	371,888 (316,867)	+17.4	244,137 (223,988)	+9.0	148,284 (114,840)	†4,815,677 (†4,554,576)	†10.4 (†9.7)	592,5[illegible] (546,9[illegible])
RUBBERS	51	24,430 (21,054)	+16.0	21,132 (18,272)	20,207 (17,559)	7,542 (7,002)	12,551 10,610	+19.4	9,707 (9,018)	+7.6	5,726 (3,920)	99,809 (98,131)	21.2 (18.6)	12,7[illegible] (13,3[illegible])
TEA	9	1,364 (698)	+126.4	929 (169)	797 (54)	275 (146)	421 (−192)	*	239 (145)	+64.8	571 (54)	22,292 (22,620)	4.2 (0.7)	99[illegible] (92[illegible])
TIN	6	4,576 (3,675)	+24.5	3,693 (2,959)	3,631 (2,902)	1,683 (1,346)	1,937 (1,453)	+33.3	1,665 1,323	+25.9	1,024 (728)	14,997 (14,313)	24.6 (20.7)	836 (937)
MISCELLANEOUS MINING	7	166,771 (148,415)	+12.4	134,103 (123,097)	112,580 (107,258)	38,012 (39,520)	49,589 (44,623)	+11.1	28,148 (26,136)	+7.7	52,541 (44,135)	1,060,595 (841,746)	12.6 (14.6)	165,1[illegible] (142,1[illegible])
OTHER RAW MATERIALS	12	18,192 (17,145)	+6.1	12,797 (12,231)	10,251 (10,174)	4,732 (4,476)	4,956 (5,084)	−2.5	3,474 (3,445)	+0.8	6,152 (5,637)	121,188 (117,902)	10.6 (10.4)	15,1[illegible] (16,1[illegible])
TOTAL COMMODITIES	65	215,323 (190,887)	+12.8	172,654 (156,728)	147,466 (137,947)	52,144 (52,490)	69,454 (61,478)	+13.0	43,233 (40,067)	+7.9	66,014 (54,474)	1,318,881 (1,094,712)	13.1 (14.5)	194,[illegible] (173[illegible])

NOTES ON COMPILATION OF THE TABLE

The classification follows closely that of the Institute and Faculty of Actuaries, which has been adopted by the Stock Exchange Daily Official List.

Col. 1 gives trading profits, plus investment and other normal income properly belonging to the financial year covered. The figure is struck before charging depreciation, loan and other interest, directors' emoluments and other items normally shown on the profit and loss account. Excluded are all exceptional or non-recurring items such as, for example, capital profits, unless the latter arise in the ordinary transaction of business.

N.B.—Certain companies, including merchant banks, discount houses, insurance and shipping companies, are exempted from disclosing the full information required under the Companies Act, 1948.

Col. 2 gives profits before interest and taxation, that is to say profits after all charges, except loan and other interest, but before deducting taxation provisions and minority interests. In the case of Banks no figure can be shown because of non-disclosure (see forgoing paragraph).

Col. 3 give Pre-tax Profits, that is to say profits after all charges including debenture and loan interest but before deducting taxation provision and minority interests.

Col. 4 groups all corporate taxation including Dominion Colonial and Foreign liability and future tax provisions but excludes adjustments relating to previous years.

Col. 5 gives the net profits accruing on equity capital after meeting—
1 Minority interests.
2 All prior charges—sinking fund payments, etc., and Preference dividends: and
Provisions for staff and employees' pension funds where this is a standard annual charge against net-revenue.

Col. 6 sets out the gross cost of dividend on equity capital.

Col. 7 is the capital generated internally over a year's trading. For the purposes of comparison equity earnings plus depreciation less equity dividends, is the recognised method of computing this figure.

Col. 8 constitutes the total net capital employed. This is the total of net fixed assets, trade investments and current assets—excluding intangibles such as goodwill—less current liabilities [illegible] bank overdrafts.

‡ For merchant banks and dis[illegible] houses a more realistic figure to qu[illegible] the balance-sheet total.

Col. 9 represents the net retur[illegible] capital employed. Col. 2 as a perce[illegible] of Col. 8 provides an indicatio[illegible] average profitability.

† Excluding merchant banks, dis[illegible] houses, insurances, etc.

* No figures given as pre-tax [illegible] negative.

Col. 10 Net current assets are ar[illegible] at by the subtraction of current liab[illegible] and provision from current assets [illegible] must therefore be regarded mainly [illegible] indication of the volume and the val[illegible] industrial activity and is not necess[illegible] true guide to actual liquid resource[illegible]

Weak management in building alleged

BY MICHAEL CASSELL

MAJOR WEAKNESSES in the management of small and medium-sized construction companies are highlighted in a report published to-day by the Construction Industry Training Board.

Drawn up by a senior tutor at Newcastle University under the direction of a CITB steering committee, the report claims that there is no "serious application of management development or appraisal systems" in many of the companies it studied, none of which had more than 300 employees.

On entrants into the industry, the report states that the number of university graduates is negligible, although a "significant number" of managers had received grammar school education. The craftsman or technician entering the first supervisory job he had held faced responsibilities which he was often ill-equipped to handle. It was also found that staff who became managers in their late 20s and 30s on a basis of experience or qualifications had often been thrust into management with little or no preparation.

The report adds: "For good or ill, they had survived some form of initial training varying from a craft apprenticeship to a professional-technical training, although some had received no post-school education or training whatsoever."

These people, it suggested, had been made managers because "they had demonstrated some ability to manage themselves and amassed a conglomertation of formal and informal knowledge." The CITB emphasises the need for initial courses in management appreciation along the lines of those being developed by the Board itself.

"These should introduce the craft-trained worker entering the field of supervision to basic costing, the legal responsibilities of the firm and the concepts of the decision-taking process in addition to the problems of supervision."

The report also suggests courses should cover group psychology and human and industrial relations generally, the planning and control of works, method study and organisation of work.

Along with a broadening of educational preparation for s[illegible] visory and managerial roles [illegible] further encouragement [illegible] management development pol[illegible] and programmes, the re[illegible] recommends specific courses [illegible] older managers, giving [illegible] attention to their learning [illegible] lems.

There should also, states [illegible] Board, be increased provisi[illegible] teachers familiar with the te[illegible] ing methods and materials [illegible] able to promote self-learni[illegible] older managers.

Management/Technician [illegible] in the Construction Indu[illegible] Published by CITB Part 1 [illegible] Part 2 £1.

ST. PAUL'S FUND IS HALF WAY

The Save St. Paul's appeal [illegible] £3m. has reached the half [illegible] point. The appeal was laun[illegible] on February 5 to enable u[illegible] repair work to be carried ou[illegible] save the West Front and give [illegible] Cathedral a new lease of life.

هكذا من الأصل

A copy of this Advertisement (having attached thereto the documents below specified) has been delivered to the Registrar of Companies for registration. This Advertisement is issued in compliance with the Regulations of the Councils of The Stock Exchange, London and of The Northern Stock Exchange for the purpose of giving information to the Public with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information given and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement in this Advertisement misleading. Application has been made to the Councils of The Stock Exchange, London and of The Northern Stock Exchange for permission to deal in and for quotation for the whole of the issued Ordinary Share Capital of the Company.

WRIGHT-SCRIVEN LIMITED

(Incorporated under the Companies Acts, 1862 to 1900)

SHARE CAPITAL

Authorised		Issued and fully paid or credited as fully paid
£900,000	in 7,200,000 Ordinary shares of 12½p each	... £666,666

PLACING BY

FIELDING, NEWSON - SMITH & CO
and
HALLIDAY, SIMPSON & CO
of
1,350,000 FULLY PAID ORDINARY SHARES OF 12½p EACH AT 17½p PER SHARE

The respective bank borrowings of certain Subsidiaries namely Fred Wright & Sons (Supplies) Limited ("Wright"), Irlam Engineering Co. (1942) Limited ("Irlam") and Ireco Products Limited ("Ireco") are secured by floating charges over their respective assets. Those of another Subsidiary, Precision Components (Tamworth) Limited ("Precision") are secured by a fixed charge over its freehold property and a floating charge over its other assets.

On 12th July, 1971 the borrowings of Wright, Irlam, Ireco and Precision from Midland Bank Limited amounted to an aggregate of £49,821 and the net bank borrowings of the Company and its Subsidiary Wakefield Fabrications Limited from National Westminster Bank Limited amounted to an aggregate of £19,001. On the same day, the hire purchase commitments of Subsidiaries amounted to an aggregate of £1,653.

Subject thereto neither the Company nor any Subsidiary has any bank overdraft or similar indebtedness, debentures, loan capital, mortgages, charges, hire purchase commitments, guarantees or material contingent liabilities outstanding.

DIRECTORS

FRED WRIGHT, Randwick, Jacksons Edge Road, Disley, Cheshire *(Chairman)*
FRANCIS HOWARD WILSON, Blue Ryde, Dobb Hedge Close, Hale Barns, Altrincham, Cheshire *(Managing)*
COLIN LESLIE FORBES, B.Sc., F.I.Mech.E., 330, Spen Lane, West Park, Leeds LS16 5BA
JOHN MICHAEL McNAMARA, B.Sc. (Econ.), A.C.A., 36, Chantry Road, Disley, Cheshire.

BANKERS

NATIONAL WESTMINSTER BANK LIMITED, Prudential Assurance Building, Park Row, Leeds LS1 1QQ.
MIDLAND BANK LIMITED, High Street, Neston, Wirral, Cheshire.

BROKERS

FIELDING, NEWSON-SMITH & CO., Garrard House, 31, Gresham Street, London, E.C.2, and The Stock Exchange, London.
HALLIDAY, SIMPSON & CO., P.O. Box 412, 98, King Street, Manchester, M6O 2HA and The Northern Stock Exchange.

SOLICITORS

To the Company—BOOTH & CO., Phoenix House, South Parade, Leeds LS1 1HQ.
To the Placing—VAUDREY, OSBORNE & MELLOR, 30, St. Ann Street, Manchester, M2 7WA.

JOINT AUDITORS & JOINT REPORTING ACCOUNTANTS

DEARDEN, HARPER, MILLER & CO., Croxley House, 14, Lloyd Street, Manchester, M2 5NB. *(Chartered Accountants.)*
ARMITAGE & NORTON, 4 South Parade, Leeds, LS1 5TZ. *(Chartered Accountants.)*

JOINT REPORTING ACCOUNTANTS

PEAT, MARWICK, MITCHELL & CO., Airedale House, Albion Street, Leeds, LS1 5TY. *(Chartered Accountants.)*

SECRETARY & REGISTERED OFFICE

JOHN MICHAEL McNAMARA, B.Sc.(Econ.), A.C.A., Roberts House, Manchester Road, Altrincham, Cheshire.

REGISTRARS & TRANSFER OFFICE

LONDON WALL REGISTRARS LIMITED, Salisbury House, Finsbury Circus, London, E.C.2.

HISTORY

The Company, which has now become a holding company co-ordinating the management and activities of its Subsidiaries, was incorporated in England on 16th September, 1901 having changed its name from Scriven-Crosthwaite Limited with effect from 22nd July, 1971. At the conclusion of the placing 3,183,328 Ordinary Shares will be directly or indirectly held by Muring Securities Limited ("Muring"), amounting to approximately 60 per cent. of the issued Ordinary Shares. Muring is the wholly owned dealing subsidiary of Bank Bridge Securities Limited ("Bank Bridge").

SUBSIDIARIES

The Company has the undermentioned six wholly owned Subsidiaries, all of which ("the Subsidiaries") are incorporated in England and together with the Company are referred to as "the Group".

Scriven-Crosthwaite Limited ("Scriven")
Wakefield Fabrications Limited ("Wakefield")
Fred Wright & Sons (Supplies) Limited ("Wright")
Irlam Engineering Co. (1942) Limited ("Irlam")
Ireco Products Limited ("Ireco")
Precision Components (Tamworth) Limited ("Precision")

Under Contract No. (1) below Scriven acquired, with effect from 23rd July, 1971, the engineering business hitherto carried on by the Company together with the issued share capital of Wakefield. Under Contract No. (2) below the Company acquired, with effect from 1st April, 1971, the issued share capitals of Wright, Irlam and Ireco from Power, Communications and Automation Limited ("P.C.A.") and of Precision from Muring, the immediate holding company of P.C.A.

GROUP BUSINESS

Only Scriven and Wakefield directly export any products. During the year ended 31st December, 1970 such exports amounted to an insignificant proportion of their combined turnover and it is not possible to quantify the proportion of the Group's production which is indirectly exported. Engineering Subsidiaries carry out work against orders only.

Details of the businesses are as follows:—

Scriven

Manufacturers of metal working and special machine tools, its customers being principally amongst manufacturers of tyre wheel rims and the steel industry. Scriven also manufactures solid fuel grates for shell type boilers and ancillary equipment. Five major engineering companies accounted for some 85 per cent. of Scriven's turnover for the year ended 31st December, 1970, the largest proportion for any one customer being 25 per cent. There are approximately 50 other customers of the business, originally founded in 1851.

Wakefield

Metal fabricators and general welders, principally serving engineers using fabrications in their own constructions. 70 per cent. of Wakefield's turnover is with three engineering companies; twenty other companies account for the remainder. The business is some two years old.

Wright

Merchants of machine tools and stockists of a fully comprehensive range of fasteners, hand tools and engineers' and contractors supplies, serving some 430 customers including a major motor vehicle manufacturing company which accounts for approximately 20 per cent. of the turnover of the business, established in 1947. The major customers are all situated within a radius of thirty miles which includes the highly industrialised area of south-east Lancashire, Cheshire and Yorkshire industrial areas.

Irlam

General engineers, carrying out mass production machining work of most natures, particularly for the heavy vehicle industry and specialising in the machining of high grade alloy and stainless steel. 65 per cent. of Irlam's turnover with its 92 customers is accounted for by one of the major motor vehicle manufacturing companies. The business was founded in 1942.

Ireco

General sheet metal workers, specialising in lock formed ducting, welded fabrications in mild and stainless steel and aluminium. Ireco whose business started in 1955 also undertakes argon, spot, oxy-acetylene and general welding. A major engineering company accounts for some 50 per cent. of Ireco's turnover, which is spread over 14 customers.

Precision

Engineers, specialising in auto-turned parts and carrying on mass production machining work of similar types to Irlam. 70 per cent. of Precision's turnover is accounted for by four large engineering companies. There are approximately 35 other customers of the business which was established in 1962.

MANAGEMENT

The Company

Mr. Fred Wright, aged 65, is the Executive Chairman. He founded the business of Wright, Irlam and Ireco and has had considerable experience in engineering.

Mr. F. H. Wilson, aged 43, is Managing Director. He entered the engineering industry in 1942 and joined Irlam in 1970.

These Directors have entered into Service Agreements (Contracts Nos. (3) and (4) below).

Mr. C. L. Forbes, B.Sc; F.I.Mech.E; aged 65, is a non-executive Director. He has had 40 years engineering experience, including 7 years with the Company. He is an Executive Director of Scriven and Wakefield.

Mr. J. M. McNamara, B.Sc.(Econ); A.C.A; aged 27, who is an Executive of Bank Bridge, has had 6 years accountancy experience and serves in a non-executive capacity.

Scriven

Mr. C. L. Forbes, the above-mentioned Director of the Company, is assisted by Mr. A. M. Gardner, aged 52, who has extensive engineering experience. They have entered into Service Agreements with Scriven (Contracts Nos. (5) and (6) below).

Mr. W. Armstrong and Mr. J. H. Wood, both engaged in engineering, are part time non-executive Directors, in which capacity they served the Company prior to the sale of its business to Scriven under Contract No. (1) below.

Employees number approximately 100.

Wakefield

Wakefield is managed by Mr. E. J. Wilson, aged 64, who is serving as an Executive Director under an agreement expiring in 1976 (Contract No. (7) below). He is assisted by Mr. K. W. Lucas as a non-executive Director, also serving as an executive of Scriven.

Employees number approximately 20.

Wright

Mr. Fred Wright, the Chairman of the Company and of Wright, founded the business in 1947.

Mr. P. F. Kinnersley, aged 41, is the Managing Director and has entered into a service agreement expiring 1978.

Mr. Terence Wright, aged 42, is an Executive Director and has entered into a service agreement expiring 1981.

Mrs. M. J. Howarth has a service agreement (in an administrative capacity), expiring on 28th February, 1973. (Contracts Nos. (8) to (10) below).

Employees number approximately 26.

Irlam

Mr. A. Crawford, aged 39, is the Managing Director and has entered into a service agreement expiring 1978.

Mr. J. R. Leather, aged 52, is an Executive Director and has entered into a service agreement expiring 1978.

Mrs. M. I. Ward (as Office Manager) has a service agreement expiring in 1974. (Contracts Nos. (11) to (13) below).

Employees number approximately 101.

Ireco

Mr. M. Wane, aged 44, is the Managing Director and has entered into a service agreement expiring in 1978. (Contract No. (14) below).

Employees number approximately 12.

Precision

Mr. N. C. Giles, aged 51, and Mr. N. A. Giles, aged 54, are Joint Managing Directors. They founded the business and have entered into service agreements expiring in 1973. (Contracts Nos. (15) and (16) below).

Mr. S. L. Elcocks, Mr. S. G. Ray and Mr. M. H. Pegg have service agreements expiring not earlier than 1974. (Contracts Nos (17) to (19) below).

Employees number approximately 46.

PREMISES

The Group operates from the following principal premises, areas in square feet being approximate.

Address	Tenure	If Leasehold date of expiry (and current exclusive rent.)	Office space	Factory space	Showroom and Warehouse	Ancillary Space (see notes below)	
...rk Street, ...ds, LS9 8AQ, ...rkshire.	Freehold		3,400	27,500	nil	2,900	
...svenor Mill, ...svenor Street, ...ton-under-...e, Lancashire.	Freehold		2,640	27,171	12,200	1,320	(1)
...lin Lane, ...scote, ...nworth, ...fordshire.	Freehold		397	8,365	nil	18,230	(2)
...kefield, ...kshire.	Leasehold	30th June, 2014 (£225 p.a.)	600	4,500	nil	90 (Total site area 2.26 acres)	

Notes:

(1) At Grosvenor Mill, Ashton-under-Lyne, a further 10,192 sq. feet of floor space is sub-let to Synrein Plastics Limited for a term of 10 years expiring on 28th February, 1981 at an annual rent of £1,250 (excl.) subject to a further charge of not less than £260 p.a. by way of contribution to services and to a rent review in February, 1976. A further 25,224 sq. feet of floor space is vacant and there is approximately two-thirds of an acre of open ground and yard space.

(2) This figure includes 18,000 sq. feet of open land.

PLANT AND MACHINERY

This is well maintained and adequate for present purposes.

WORKING CAPITAL

Having regard to available facilities the Directors are of the opinion that the working capital of the Group is sufficient for foreseeable requirements.

JOINT ACCOUNTANTS' REPORT

The following is a copy of a Joint Report received from Dearden, Harper, Miller & Co. and Armitage & Norton, the Joint Auditors of the Company and Peat, Marwick, Mitchell & Co., Joint Reporting Accountants:—

The Directors, Wright-Scriven Limited.
Messrs. Fielding, Newson-Smith & Co.,
and Messrs. Halliday, Simpson & Co.

23rd July, 1971.

Gentlemen,

1. By a conditional agreement dated 25th June, 1971 Wright-Scriven Limited (formerly Scriven-Crosthwaite Limited) ("the Company") acquired from Power, Communications and Automation Limited ("P.C.A.") the issued share capital of three of its wholly-owned subsidiaries ("the Wright Group") whose names and businesses are as follows:—

Fred Wright & Sons (Supplies) Limited ("Wright")	Merchants of engineers supplies ("Merchanting")
Irlam Engineering Co. (1942) Limited ("Irlam")	Machinists of precision components ("Engineering")
Ireco Products Limited ("Ireco")	Sheet Metal Fabricators ("Engineering")

2. By the same agreement the Company acquired from P.C.A.'s immediate holding company, Muring Securities Limited ("Muring") the share capital of Precision Components (Tamworth) Limited ("Precision") whose business is similar to that of Irlam ("Engineering").

3. Also on 25th June, 1971, the Company agreed to transfer as from the date hereof the whole of its engineering business together with the share capital of its wholly owned subsidiary Wakefield Fabrications Limited ("Wakefield") to a wholly owned subsidiary, Scriven-Crosthwaite Limited ("Scriven"), formerly Vinbrit Limited. Wakefield also carries on an engineering business.

4. We have examined the accounts of:—
(i) The Company
(ii) Wakefield
(iii) The Wright Group
(iv) Precision

for the following periods:—

The Company	from 1st January, 1961 to 31st December, 1970.
Wakefield	from 15th February, 1969 (date of commencement of business) to 31st December, 1970
Wright	from 1st July, 1959 to 31st December, 1970.
Irlam	from 1st December, 1959 to 31st December, 1970.
Ireco	from 1st June, 1959 to 31st December, 1970.
Precision	from 1st August, 1962 (date of commencement of business) to 31st December, 1970.

5. Peat, Marwick, Mitchell & Co. reported as auditors on the accounts of the Company from 1st January, 1969 to 31st December, 1970 and on all accounts of Wakefield.

Dearden, Harper, Miller & Co. reported as auditors on the accounts of the Wright Group for the period from 1st March, 1970 to 31st December, 1970 and as joint auditors with J. E. Doram & Co., Chartered Accountants, on the accounts of Precision for the period from 1st April, 1970 to 31st December, 1970.

For prior periods relevant to this report the names of the auditors reporting on the accounts of the various companies were as below:—

The Company

Whitfield & Co. (now Thornton Baker & Co.), Chartered Accountants, for each of the three years ended 31st December, 1963.

Armitage & Norton, Chartered Accountants, for each of the three years ended 31st December, 1966.

Wright Group

Charles Taylor & Co., Accountants, for all relevant periods ending on or before 29th February, 1968.

Henry R. Davis & Co., Chartered Accountants, for relevant periods beginning on 1st March, 1968 and ending on or before 28th February, 1970.

Precision

A. W. Wheeler & Co., Chartered Accountants, for all relevant periods ending on or before 31st July, 1965.

J. E. Doram & Co., Chartered Accountants for relevant periods beginning on 1st August, 1965 and ending on or before 31st March, 1970.

We report as follows.—

6. Turnover and profits

(a) The Company and Wakefield:

	Turnover Merchanting (1) £	Turnover Engineering (2) £	Combined Turnover (3) £	Depreciation (4) £	Profits less losses before taxation (5) £
Years ended 31st December,					
1961	—	219,809	219,809	9,062	15,266
1962	—	286,706	286,706	7,135	47,836
1963	—	268,794	268,794	6,182	43,116
1964	—	172,160	172,160	5,863	16,388
1965	—	248,770	248,770	8,250	31,499
1966	—	234,738	234,735	7,682	17,781
1967	—	263,032	263,032	7,811	34,145
1968	—	149,468	149,468	7,261	(11,371)
1969	—	270,038	270,038	8,071	480
1970	—	377,811	377,811	5,571	26,207
The results of Wakefield included in the above from the commencement of trading (15th February, 1969) were as follows:—					
1969	—	53,089	53,089	484	5,670
1970	—	112,594	112,594	807	13,349
(b) The Wright Group and Precision: Years ended 31st March,					
1961	225,262	141,233	366,495	4,483	32,388
1962	219,067	151,503	370,570	5,377	23,710
1963	201,755	167,363	369,118	7,911	17,260
1964	215,608	226,459	442,067	7,571	13,060
1965	249,050	277,476	526,526	8,832	24,171
1966	275,386	299,448	574,834	8,409	64,175
1967	326,102	296,909	623,011	8,464	74,603
1968	285,541	306,154	591,695	10,047	65,465
1969	309,482	350,139	659,621	10,700	95,201
1970	369,625	445,223	814,848	12,348	134,420
Nine months ended 31st December. 1970	286,198	391,628	677,826	11,158	130,781

7. Dividends

Dividends (gross) paid by the Company for the last five years were:—

Years ended 31st December	Rate	Amount
1966	15%	£15,000
1967	15%	£15,000
1968	10%	£10,000
1969	Nil	Nil
1970	10%	£10,000

8. The results shown in column (5) of paragraphs 6 (a) and (b) above are stated after charging all expenses of operating, including directors' emoluments and depreciation re-calculated on a consistent basis as shown in column (4) and after making such other adjustments as we consider appropriate. No depreciation has been provided on freehold land and buildings.

9. The emoluments of the directors of (a) the Company and (b) the Wright Group and Precision charged in arriving at the results of last two periods shown in paragraph 6 above were as follows:—

(a) The Company	£	(b) The Wright Group and Precision	£
Year ended 31st December, 1969 ..	7,242	Year ended 31st March, 1970	25,241
Year ended 31st December, 1970 ..	8,296	Nine months ended 31st December, 1970	24,089

Under the new arrangements these emoluments would have amounted to:—

(a) The Company	£	(b) The Wright Group and Precision	£
Year ended 31st December, 1969 ..	7,575	Year ended 31st March, 1970	30,626
Year ended 31st December, 1970 ..	7,171	Nine months ended 31st December, 1970	25,449

10. The figures shown in paragraphs 6 (b) and 9 (b) have been apportioned on a time basis to years ended 31st March, 1970, 31st March being the future accounting date of the Company and its Subsidiaries.

11. Records of stock and work in progress were available to us as follows:—

The Company	From 31st December, 1963.
Wakefield	For all accounting dates.
Wright	From 30th June, 1964.
Irlam	From 30th November, 1965.
Ireco	From 28th February, 1970.
Precision	At 31st December, 1970.

Because records at all accounting dates are not available to us we are unable to satisfy ourselves as to the allocation of profits for any period covered by this report in respect of the Wright Group and Precision, and in respect of the period from 1st January, 1961 to 31st December, 1963 as regards the Company. However, Charles Taylor & Co., Accountants, and Henry R. Davis & Co., Chartered Accountants, have confirmed to us that at the relevant accounting dates they were satisfied that stocks and work in progress of the Wright Group were properly taken and consistently valued. Thornton Baker & Co. Chartered Accountants (in respect of the Company) and A. W. Wheeler & Co., Chartered Accountants, and J. E. Doram & Co., Chartered Accountants (in respect of Precision) have respectively confirmed to us that stocks and work in progress of the Company and Precision were valued on a consistent basis at all relevant accounting dates.

12. Net Tangible Assets

Set out below is a statement of the combined net tangible assets at 31st December, 1970 of the Company, Wakefield, the Wright Group and Precision had the acquisitions referred to in paragraphs 1 and 2 been effective at that date.

	Cost or Valuation £	Depreciation £	Net £
FIXED ASSETS (paragraphs 13, 14, 15 and 16)			
Freehold land and buildings	165,023	—	165,023
Short leasehold land and buildings	8,000	356	7,644
Plant, machinery and vehicles	316,332	197,965	118,367
	£489,355	£198,321	291,034
CURRENT ASSETS			
Stocks and work in progress (paragraph 17)		298,457	
Debtors		329,289	
Amounts owing from fellow subsidiaries (since paid)		2,285	
Bank and cash balances		47,283	
		677,314	
CURRENT LIABILITIES			
Creditors		275,964	
Factored debts outstanding (since repaid and discontinued)		20,479	
Bank overdraft (paragraph 18)		57,502	
Taxation (paragraph 19)		50,002	
Proposed dividends (paragraph 22)		60,000	
		463,947	
NET CURRENT ASSETS			213,367
			504,401
DEFERRED LIABILITIES			
Corporation tax due 1st January, 1972 or after (paragraph 19)		60,350	
Deferred taxation (paragraph 20)		8,445	
			68,795
NET TANGIBLE ASSETS			£435,606

13. Freehold land and buildings are included at the following values:—

	£
Valued in April, 1970 on an open market basis subject to an existing tenancy by V.R.M.-Ramos & Co., Surveyors and Valuers of 49 Telegraph Road, Heswall, Wirral, Cheshire	75,000
Valued in December, 1952	32,000
Cost	58,023
	£165,023

14. Short leasehold land and buildings are valued at cost less depreciation calculated to write off the asset over the life of the lease which expires on 30th June, 2014.

15. Plant, machinery and vehicles are included at the following values:—

	Cost or Valuation £	Depreciation £	Net £
Valued in December, 1952	49,565	47,463	2,102
Cost	266,767	150,502	116,265
Total	£316,332	£197,965	£118,367

16. The net book value of the fixed assets reflects depreciation recalculated on the basis referred to in paragraph 8.

17. Stocks and work in progress are valued at the lower of cost and net realisable value, with the exception stated below. Cost includes only direct labour and material save for the work in progress of the Company and Wakefield where an appropriate proportion of production and administration overheads are included. Machines awaiting despatch from the Company are valued by it at estimated net realisable value.

Stocks and work-in-progress are summarised below:—

	£
Valued at cost of direct labour and material only	200,933
Valued at cost of direct labour and materials plus an appropriate proportion of overheads	93,924
Valued at net realisable value	3,600
	£298,457

18. Bank borrowings of the Company and of Wakefield are unsecured. Those of each member of the Wright Group are secured by floating charges on the assets of each company. Those of Precision are secured by a fixed charge on its freehold property and a floating charge on its other assets.

19. The provisions for taxation are based on profits, less losses, earned in relevant periods shown in column (5) of paragraph 6. Certain of the tax liabilities of the Wright Group and Precision may be discharged by making equivalent payments to fellow subsidiaries of Muring in consideration for the surrender of corporation tax losses. Ireco has corporation tax losses of approximately £12,000 available to offset against its future trading profits liable to corporation tax.

20. Deferred taxation represents the amount of corporation tax at 40 per cent. deferred by the receipt of capital allowances on plant, machinery and vehicles in excess of the depreciation charged to date.

21. At 31st December, 1970 contracts for capital expenditure not provided for in the above statement (paragraph 12) amounted to £33,000 after taking account of investment grants receivable. Amounts authorised but not contracted for were £10,500. All of these commitments related to the Wright Group and Precision.

22. Proposed dividends (since paid) comprise the following:—

	£
By the Company in respect of the year ended 31st December, 1970	10,000
By the Wright Group to P.C.A.	40,000
By Precision to Muring	10,000
	£60,000

23. No accounts have been made up for submission to members since the following dates:—

The Company	31st December, 1970.
Wakefield	31st December, 1970.
The Wright Group	28th February, 1970.
Precision	31st March, 1970.

No accounts have been prepared for Scriven which was incorporated on 14th May, 1971. Interim accounts of the Wright Group and Precision have been made up to 31st December, 1970 and audited, for the purposes of this report.

Yours faithfully,
Dearden, Harper, Miller & Co.
Armitage & Norton.
Peat, Marwick, Mitchell & Co.

PROFITS, PROSPECTS AND DIVIDENDS

The Chairman's Review accompanying the Accounts of the Company for the year ended 31st December, 1968, drew attention to the adverse effect which government measures to protect the economy had had upon investment by industry in capital equipment of the kind manufactured by the Company, which had suffered a loss of £11,371 in what was a difficult year both for the Company and for the machine tool industry generally. Steps had been taken to widen the Company's range of products, but the costs thereby incurred had affected the trading result for that year. In addition, it had been necessary to take on unremunerative work in order to retain the valuable labour force. The above factors continued to affect trade during 1969, although the Company's own loss for the year was reduced to £5,190, before crediting Wakefield's profits of £5,670.

It will be seen from the Joint Accountants' Report that the combined profits to turnover ratio of Wright, Irlam, Ireco and Precision improved during the years 1968 to 1970. This is due to two factors. In the case of Wright, who are merchants, increased purchases produced higher rates of discount. In the case of Irlam, Ireco and Precision, engaged in engineering, increases in turnover produced higher gross profits which were not accompanied by corresponding increases in overhead expenses.

On the basis of the unaudited accounts of Wright, Irlam, Ireco and Precision for the period ended 31st March, 1971 and having regard to the course of trading since 31st December, 1970 of the Company and Wakefield, the Directors expect the consolidated net profit of the Group for the year ended 31st March, 1971 to be not less than £180,000.

The Directors consider that in the absence of unforeseen circumstances the consolidated profit of the Group for the year ending 31st March, 1972 (apportioned on a time basis in respect of Scriven and Wakefield and before taxation but after charging all working expenses, including Directors emoluments) will be not less than £200,000, arrived at on a comparable basis to the above-mentioned profit of £180,000.

On the basis of an annual profit of £200,000 and of an issued Ordinary Share Capital of £666,666, it would be the intention of the Directors to pay and recommend in respect of the year ending 31st March, 1972, dividends totalling 12 per cent., less income tax, of which 4 per cent. would be payable as an interim dividend in January, 1972 and 8 per cent. as a final dividend in August, 1972. The following table shows how a profit of £200,000 would be applied:—

	£
Estimated profit before taxation	200,000
Less: Estimated taxation (assuming Corporation Tax of 40 per cent.)	80,000
	120,000
Less: Gross dividends totalling 12 per cent. on an issued Ordinary share capital of £666,666	80,000
Leaving for retention in the business	£40,000

At the placing price of 17½p per Share, the yield on a 12 per cent. dividend would be 8.57 per cent., covered 1.5 times with a price/earnings ratio of 7.78.

STATUTORY AND GENERAL INFORMATION

Alterations of Share Capital

The Company

On 19th July, 1971:

(a) The 800,000 Ordinary Stock Units of 12½p each representing the authorised and issued capital of the Company were reconverted into 800,000 fully paid Ordinary Shares of 12½p each ("Ordinary Shares").

(b) The capital was increased from £100,000 to £900,000 by the creation of 6,400,000 new Ordinary Shares ranking *pari passu* in all respects with the 800,000 issued Ordinary Shares.

On 23rd July, 1971:—

4,533,328 new Ordinary Shares were issued, credited as fully paid up in satisfaction of the purchase considerations for Wright, Irlam and Precision under Contract No. (2) below so that a total of 5,333,328 Ordinary Shares of the nominal value of £666,666 were then issued and fully paid, ranking *pari passu* in all respects with each other.

Subsidiaries

On 23rd July, 1971 Scriven issued £198 nominal of Ordinary Shares pursuant to Contract No. (1) below. On 24th June, 1971 each of Wright and Irlam issued £100 nominal of Ordinary Shares by way of capitalisation of reserves. Precision has issued £36,660 nominal of Ordinary Shares by way of capitalisation of reserves, as to £33,150 on 20th September, 1970 and as to £3,510 on 24th June, 1971.

Particulars regarding Subsidiaries (all wholly owned)

	Date of Incorporation in England	Date from which acquired by the Company	Nominal Capital in 5 per cent Preference Shares of £1 each ('P') and Ordinary Shares of £1 each ('O') £	Issued Capital £
Scriven	14.5.71	25.6.71	200 (O)	200 (O)
Wakefield	26.1.69	26.1.69	100 (O)	98 (O)
Wright	22.9.47	1.4.71	15,810 (P)	15,810 (P)
			190 (O)	100 (O)
Irlam	27.11.42	1.4.71	7,800 (P)	7,800 (P)
			4,200 (O)	100 (O)
Ireco	30.6.48	1.4.71	4,000 (O)	4,000 (O)
Precision	3.7.62	1.4.71	38,700 (P)	35,100 (P)
			3,600 (O)	3,500 (O)

Articles of Association

The Articles of Association of the Company contain provisions (*inter alia*) to the following effect:—

Votes.—Subject to any special rights or restrictions attaching to any class of Shares a Member present in person shall on a show of hands have one vote only, and on a poll a Member or his proxy shall have one vote for each Share held by him.

Borrowing Powers.—Subject as hereinafter provided the Board may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital and to issue debentures and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

The Board shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiary companies so as to secure (as regards such subsidiaries so far as by such restriction and exercise they can secure) that the aggregate amount for the time being remaining undischarged of all moneys borrowed by the Company and/or any of its subsidiary companies (exclusive of moneys for the time being owing by the Company to any such subsidiary or by any such subsidiary to the Company or another such subsidiary) shall not at any time without the previous sanction of an Ordinary Resolution of the Company exceed three times the aggregate in relation to the Company of (after deducting from such aggregate any debit balance on Profit and Loss Account and any amount in respect of goodwill) of the amount paid up on Share Capital and the amounts respectively standing to the credit of share premium account and capital and revenue reserves, save any reserve for future taxation.

Concerning Directors.—(a) No share qualification shall be required by a Director. (b) No Director shall be disqualified by reason of having attained the age of 70 or any other age and no special notice of a Director's age is required to be given. (c) The Directors may (if they so resolve) be paid out of the funds of the Company by way of remuneration for their services (without prejudice to their respective rights (if any) to additional remuneration pursuant to the terms of any Service Agreement) an aggregate amount of £750 per annum, together with such further amount (if any) as the Company in General Meeting may from time to time determine, for division amongst the Directors (or any of them) as the Chairman in either case may decide. The Directors shall also be entitled to be paid all travelling, hotel and other expenses properly incurred by them in and about the business of the Company. (d) If any Director being willing shall be called upon to perform special or extra services or to go or reside abroad in connection with the conduct of any of the affairs of the Company the Board has wide powers to grant him remuneration in addition to or in substitution for his ordinary remuneration as a Director. (e) The Directors have powers to grant pensions, allowances, gratuities and bonuses to officers, ex-officers, employees or ex-employees of the Company or its predecessors in business or the dependants or connections of such persons. (f) The remuneration of a Managing or Executive Director shall from time to time be fixed by the Directors and may be by way of salary or commission or participation in profits or by all or any of these modes and it may be made a term of his appointment that he be paid a pension or gratuity on retirement from his office.

General

Under Contract No (20) below, which is conditional upon permission to deal in and quotation for the whole of the issued Share Capital of the Company ("the permission") being granted by the Councils of The Stock Exchange, London and of The Northern Stock Exchange, not later than 4th August, 1971 Fielding, Newson-Smith & Co. and Halliday, Simpson & Co. ("the Brokers") have agreed to purchase 1,350,000 Ordinary Shares from P.C.A. at 17½p per Share and to place the aggregate of 1,350,000 Ordinary Shares at the same price per Share. No part of the proceeds of the placing will be received by the Company. P.C.A. and Muring will pay their own costs as Vendors to the Company in any event. All other costs and expenses incidental to the acquisition of the Subsidiaries to the transfer of assets from the Company to Scriven and to the applications for permission to deal in and for quotation for the Ordinary Shares, including fees to the Brokers, stamp and capital duty, legal and accountancy fees and the cost of printing and advertising are estimated to amount to a total of £26,000 and are payable by the Company if the permission be granted and otherwise by the Company and Muring equally. Exemption from stamp duty in respect of Contract No. (1) below, estimated at not more than £2,000 is being claimed.

The minimum amount to be raised for the purposes of paragraph 4 of the Fourth Schedule to the Companies Act, 1948 ("the Schedule" and "the Act") is nil and there is no property to which paragraph 9 of the Schedule applies. For the purposes of Section 50 of the Act the time of the opening of the subscription list is 29th July, 1971.

The Directors are advised that immediately following the placing the Company should not be a close company as defined in the Income and the Corporation Taxes Act, 1970. It is possible, however, that the Company might at some future date be considered to be a close company. In that event it would be the intention of the Directors to take all steps open to them to ensure that such status did not prejudice the interests of Shareholders. It is the view of the Directors that such interests would not be prejudiced if the Company were a close company at the present time.

The Directors have no present intention of issuing any further Ordinary Shares of the Company and would not knowingly do so in such a way as effectively to alter the control of the Company without prior approval of the Shareholders in General Meeting. No share or loan capital of the Company or its Subsidiaries is under option or is agreed conditionally or unconditionally to be put under option. Except as disclosed herein (a) no share or loan capital of the Company or its Subsidiaries has been issued within the two years preceding the date hereof or is proposed to be issued and (b) no commissions, discounts, brokerages or other special terms have been granted within that period in connection with the issue or sale of any such capital. The aggregate emoluments of the Directors of the Company under the arrangements now in force amount to approximately £16,299 p.a. and the aggregate remuneration of Directors of Subsidiaries (excluding those who are Directors of the Company) under their above-mentioned Service Agreements amounts to £22,925 p.a. exclusive of commission. Save as mentioned herein no commissions are payable on the profit of any company in the Group. Apart from the Service Agreements referred to herein, there are no arrangements with any Director or employees of the Company or of any Subsidiary which might result in the payment of substantial damages in the event of termination. So far as the Directors are aware, neither the Company nor any Subsidiary has any litigation or claims of material importance pending or threatened by or against it.

Indemnities in respect of estate duty, surtax and other taxation for all relevant periods have been given by Wright, Irlam and Ireco (Contracts Nos. (21) and (23) below) and Precision (Contracts Nos (22) and (23) below). Surtax or shortfall clearances have been obtained in respect of Precision for all relevant periods to 31st July, 196[illegible].

Contracts

The following contracts which are or may be material have been entered into by the Company and the Subsidiaries during the last two years otherwise than in the ordinary course of business, or are otherwise considered to be material:—

(1) Dated 25th June, 1971 between the Company (1) and Scriven (then called Vinbrit Limited) (2) being an agreement for the acquisition by Scriven of the Undertaking and assets of the Company's engineering business and the issued share capital of Wakefield in consideration of the allotment of 198 Ordinary Shares of £1 each of Scriven, credited as fully paid.

(2) Dated 25th June, 1971 between Muring (1) P.C.A. (2) and the Company (then called Scriven-Crosthwaite Limited) (3) being an agreement for the acquisition by the Company of the issued share capitals of Wright, Irlam and Precision in consideration of the allotment of an aggregate of 4,533,328 Ordinary Shares of 12½p each as to 3,519,996 to P.C.A. (1,546,665 in respect of Wright and 1,973,331 in respect of Irlam) and as to 1,013,332 to Muring in respect of Precision.

(3) Dated 23rd July, 1971 between the Company (1) and F. Wright (2) being a service agreement as Executive Director expiring in 1973 at a salary of £5,000 per annum with the right to a commission of ½ per cent. of the pre-tax Group profit.

(4) Dated 23rd July, 1971 between the Company (1) and F. H. Wilson (2) being a service agreement as Managing Director expiring in 1978 at a salary of £4,000 per annum with the right to a commission of [illegible] per cent. of the excess over £150,000 p.a. of the pre-tax Group profit.

(5) Dated 23rd July, 1971 between Scriven (1) and C. L. Forbes (2) being a service agreement as Executive Director (also of Wakefield) expiring in 1976 at a salary of £3,500 p.a. with the right to a commission of 1 per cent. of the aggregate pre-tax profit of Scriven and Wakefield.

(6) Dated 23rd July, 1971 between Scriven (1) and A. M. Gardner (2) being a service agreement as Executive Director expiring in 1976 with the right to a commission of 1 per cent. of the pre-tax profits of Scriven.

(7) Dated 23rd July, 1971 between Wakefield (1) and E. J. Wilson (2) being a service agreement as Executive Director expiring in 1976 with the right to a commission of 10 per cent. of the pre-tax profits of Wakefield as therein defined.

(8) Dated 23rd July, 1971 between Wright (1) and P. F. Kinnersley (2) being a service agreement as Managing Director expiring in 1978 with the right to a commission of 1¼ per cent. of the pre-tax profits of Wright and 1¼ per cent. of the pre-tax profits of Irlam.

(9) Dated 23rd July, 1971, between Wright (1) and T. Wright (2) being a service agreement as Executive Director expiring in 1981.

(10) Dated 23rd July, 1971 between Wright (1) and M. J. Howarth (2) being a service agreement in an administrative capacity expiring in 1973.

(11) Dated 23rd July, 1971 between Irlam (1) and A. Crawford (2) being a service agreement as Managing Director expiring in 1978 with the right to a commission of 1¼ per cent. on the aggregate pre-tax profit of Wright and Irlam.

(12) Dated 23rd July, 1971 between Irlam (1) and J. R. Leather (2) being a service agreement as Executive Director expiring in 1978 with the right to a commission of 2 per cent. of the pre-tax profits of Irlam.

(13) Dated 9th May, 1969 between Irlam (1) and M. I. Ward (2) being a service agreement as Office Manager expiring in 1974.

(14) Dated 23rd July, 1971 between Ireco (1) and M. Wane (2) being a service agreement as Managing Director expiring in 1978 with the right to a commission of 3 per cent. of the pre-tax profits of Ireco.

(15) Dated 29th October, 1970 between Precision (1) and N. C. Giles (2) being a service agreement as Executive Director expiring in 1973.

(16) Dated 29th October, 1970 between Precision (1) and N. A. Giles (2) being a service agreement as Executive Director expiring in 1973.

(17) Dated 1st February, 1971 between Precision (1) and S. L. Elcocks (2) being a service agreement expiring not before 1st August, 1974.

(18) Dated 1st February, 1971 between Precision (1) and S. C. Ray (2) being a service agreement expiring not before 1st August, 1974.

(19) Dated 1st May, 1971 between Precision (1) and M. H. Pegg (2) being a service agreement expiring not before 1st August, 1974.

(20) Dated 23rd July, 1971 between the Company (1) the Directors (2) P.C.A. and Muring (3) and the Brokers (4) being the beforementioned conditional agreement for the sale and placing of 1,350,000 Ordinary Shares.

(21) Dated 24th July, 1968 between F. Wright and other Vendors of Wright and Irlam to P.C.A. in 1968 (1) Wright (2) Irlam (3) and Ireco (4) being an agreement providing indemnities against estate duty, surtax and other taxation.

(22) Dated 29th October, 1970 between N. C. and N. A. Giles (1) and Precision (2) being an agreement providing indemnities against estate duty, surtax and other taxation.

(23) Dated 23rd July, 1971 between Muring (1) and Wright, Irlam, Ireco and Precision (2) to (5) being an agreement providing indemnities against estate duty, surtax and other taxation.

Consents

Dearden, Harper, Miller & Co. Armitage & Norton and Peat, Marwick, Mitchell & Co. ("the Joint Reporting Accountants") have given and not withdrawn their respective written consents to the inclusion in this Advertisement of their Joint Report in the form and context in which it is included. Thornton, Baker & Co. (in respect of the Company), Charles Taylor & Co. and Henry R. Davis & Co. (in respect of Wright, Irlam and Ireco) have given and not withdrawn their respective written consents to the inclusion in such Joint Report of the references to stocks and work in progress.

A. W. Wheeler & Co. and J. E. Doram & Co. have given and not withdrawn their respective written consents to the inclusion in such Joint Report of the reference to stocks and work in progress of Precision. V.R.M.-Ramos & Co. have given and not withdrawn their written consent to the inclusion in such Joint Report of the reference to their valuation of Grosvenor Mill, Ashton-under-Lyne.

Directors and Other Interests

The interests (all beneficial and inclusive of family interests) of the Directors in Ordinary Shares of the Company and Ordinary Shares of 5p each of Bank Bridge are as follows:—

	The Company	Bank Bridge
F. Wright	—	83,541
F. H. Wilson	—	1,200
C. L. Forbes	8,060	—
J. M. McNamara	—	—

Mr. F. Wright, Mr. F. H. Wilson and Mr. C. L. Forbes are respectively interested in Contracts Nos. (3), (4) and (5).

Mr. T. Wright is a Director of Synrein Plastics Limited and is beneficially interested in 50 per cent. of the issued share capital thereof.

The Company and Wakefield have been trading on normal commercial terms with Wood, Jenks & Co. Limited ("W.J.L.") a company controlled by Mr. J. H. Wood and with Armstrong (Leeds) Limited ("A.L.L.") a company in which Mr. W. Armstrong is interested financially. Out of the combined turnover of £377,811 of the Company and Wakefield for the year ended 31st December, 1970, £55,029 was attributable to W.J.L. The proportion in respect of A.L.L. was insignificant. Scriven will trade on such terms in the future in place of the Company.

Documents

The documents attached to the copy of this Advertisement delivered to the Registrar of Companies for registration were the aforesaid Consents, copies of the above-mentioned Contracts and Valuation, of the Placing Letters and of the Forms of Application, together with a written Statement by the Joint Reporting Accountants explaining the adjustments made in arriving at the figures contained in their Joint Report and giving their reasons therefor.

The following documents may be inspected at the offices of Fielding, Newson-Smith & Co. at Garrard House, 31, Gresham Street, London, E.C.2, of Halliday, Simpson & Co., P.O. Box 412, 98, King Street, Manchester M60 2HA, and of Booth & Co. at Phoenix House, South Parade, Leeds, LS1 1HQ, during usual office hours on any weekday (Saturdays and any public holidays excepted) during a period of 14 days from the date of this Advertisement:—

Copies of the Memorandum and Articles of the Company, of the above-mentioned Valuation, Consents and Contracts; copies of the Joint Accountants' Report and of their Statements of Adjustments; copies of the audited accounts of each of Scriven and Wakefield for the years ended 31st December, 1969 and 31st December, 1970, of each of Wright, Irlam and Ireco for the years ended 28th February, 1969 and 28th February, 1970 and for the 10 months period ended 31st December, 1970 and of Precision for the year ended 31st July, 1969, for the 8 months period ended 31st March, 1970 and for the 9 months period ended 31st December, 1970.

Dated 23rd July, 1971.

F.T. SHARE INFORMATION SERVICE

BRITISH FUNDS

Interest Due	Stock	Closing Price £	When last xd	Gross Yield pc Int'rst £	Gross Yield pc R'dmption £
	"Shorts" (Lives up to Five Years)				
10M. 10S.	Gas 3½pc '69-81	99⅝	1.2	5.51	5.57
10M. 10S.	Exchequer 6¾pc 1971	100 1/32	1.2	6.74	5.52
15F. 15A.	Conv. 6pc 1972	100¼ xd	9.7	5.98	5.51
1F. 1A.	Gas 4pc 69-72	98⅝ xd	2.7	4.06	6.62
1F. 1A.	Exchequer 6¼pc 1972	100 1/16 xd	2.7	6.21	5.67
15J. 15J.	Exchequer 6¾pc 1973	101⅜	8.6	6.66	5.74
1A. 1O.	Electric 3pc '68-73	95¾	23.2	3.13	5.66
1A. 1O.	Transport 3pc '68-73	95¾	23.2	3.13	5.66
15J. 15D.	Conv. 5¼pc 1974	97 3/16	10.5	5.40	6.32
11J. 11D.	Treasury 6¾pc 1974	101 3/16	5.5	6.67	6.34
15F. 15A.	Saving 3pc '65-75	89¾ xd	9.7	3.33	6.82
—	Treas. 6¾ 1975	98 3/16	—	6.09	6.54
1M. 1S.	Exch. 6¾pc 1976	98 3/16	—	6.80	6.95
	Five to Fifteen Years				
1M. 1S.	Victory 4pc 1976	98¼	25.1	4.14	5.37
1M. 1N.	Funding 4pc '60-90	97¾	25.3	4.15	5.24
15F. 15A.	Treasury 6½pc 1976	97⅞ xd	9.7	6.62	6.92
15M. 15S.	Electric 3pc 1974-77	87⅝	8.2	3.47	5.83
20J. 20D.	Transport 4pc '72-77	87¾	14.5	4.58	6.46
26M. 26S.	Exchequer 5pc '76-78	90⅜	17.2	5.64	7.02
26M. 26S.	Electric 4¼pc '74-79	84⅝	17.2	5.11	6.98
15M. 15S.	Do. 3½pc '76-79	79	8.4	4.47	6.98
15J. 15D.	Treasury 3½pc '77-80	77¾	10.5	4.55	6.95
15J. 15D.	Funding 5¼pc '78-80	87	10.5	6.06	7.36
15F. 15A.	Treasury 3½pc '79-81	75¼ xd	9.7	4.65	7.08
15J. 15J.	Do. 9¼pc '80-82	101	8.8	9.45	8.26
15J. 15J.	Funding 5½pc '82-84	82¼	8.8	6.72	7.76
	Over Fifteen Years				
10J. 10J.	Treasury 8½pc '84-86	99¾	8.6	8.57	8.58
1M. 1N.	Funding 6½pc '85-87	85	25.5	7.79	8.40
1J. 1J.	Transport 3pc '78-88	55¾	25.5	5.41	7.76
15A. 15O.	Treasury 5pc '86-89	69	9.8	7.41	8.63
15A. 15O.	Funding 5½pc '87-91	73½	1.3	7.99	8.75

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

PUBLIC BOARD AND OTHER LOANS

Corporation Short-dated Bonds

FOREIGN BONDS & RAILS

London U.S. Dollar and DM Issues

AMERICANS

S.E. List Premium 24¼% (based on $2.4181 per £)

CANADIANS

Dividends Usually Paid	Stock	Closing Price p	When last xd	Div. $ or amount	Times covered	Gross Yield pc
Ap.J.Jy.O	Abitibi Paper‖	345	29.1	—	—	—
My.Jes.D.	Bk. Montreal ($2)	800	28.4	75c	†—	3.9
F.My.AuN	Bk. Nova Scot.($2)	£13⅜	28.8	78c	†—	2.4
—	Bow Valley ‖	£13½	—	—	—	—
O.JaApJly.	Brascan‖	£10	28.6	$1.0	—	4.2
—	B.P. Oil & Gas‖	365	—	—	—	—
F.My.AuN	Can. Imp. Bk. ($2)	£11 1/16	28.6	69c	†—	3.8
July Jan.	Can. Pacific ($25)	£32⅛	28.8	$3.25	—	4.2
July Jan.	4pcN. Cum. P. ($5)	109	28.6	4	—	4.6
July Jan.	4pc Deb.(£100)	£41	17.5	4	—	9.7
Apr. Jly.	Cons. Bathurst‖	435	4.6	♦$1	—	9.6
—	Cordwell Int. ‖	12	—	—	—	—
J.Ap.Jy.O	Gulf Oil Can. ‖	£12½	26.1	57½c	†—	1.9
—	Hawker Sid. Can.‖	155	—	—	—	—
F.My.AuN	Hollinger ($5)	£20⅝	29.4	$1.20	†—	2.4
Apr. Nov.	Hudson's Bay ‖	980	18.5	48c	—	2.8
Jan. July	Hud. B. Oil G.($2½)	£23⅞	3.7	50c	—	0.9
Mr.JeS.D.	Imasco	£10	28.5	80c	—	3.3
Mr.JeS.D.	Imperial Oil ‖	£13½	28.5	52½c	—	1.6
F.My.AuN	Int. Nat.Gas $1	670	28.4	50c	—	3.2
Mr.JeS.D.	Int. Nickel ‖	£17⅛	19.6	$1.40	†—	3.4
S. D. Je	Massey Ferg. ‖	575	11.11	$1	—	‡
December	Pacific Petrol ($1)	£17¾	18.11	30c	—	0.7
—	Place Gas ($1)	70	—	—	—	—
June Dec.	Rio Algom‖	780	6.6	40c	—	2.1
M.Je.S.D.	Royal Bk. Can. ($2)	£13⅞	5.5	86c	†—	2.6
May	Steep Rock ($1)	120	—	15c	—	5.2
F.MyAu.N	Tor. Dom. Bk. ($2)	£12 3/16	28.8	68c	†—	2.2
J.Ap.Jy.O	Trans.Can.Pipe($1	£16⅝	29.6	$1	—	2.5
June Dec.	Westcoast‖	£13¼	8.6	50c	—	1.6
Mar Sept.	White Pass ‖	610	26.2	25c	—	1.7

S.E. List Premium 24⅝% (based on $2.4518 per £)

BANKS AND HIRE PURCHASE †† Banks, etc.

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER & ROADS

BUILDING INDUSTRY—Continued

Dividends Usually Paid	Stock	Closing Price p	When last xd	Div. % or amount	Times covered	Gross Yield pc	P/E Ratio
July	J.B.Holdings 5p	17¼	28.5	17½	2.5	5.1	7.9
July	Jackson(DT) 10p	26½	14.6	17½	♦	7.0	♦
Jan. July	James (H.C.)	93	28.6	18	1.9	4.8	10.8
Mar. Sept.	Jarvis (J.)	93	8.3	22½	2.0	6.0	8.3
Jan. July	Jenkins(T)10p	33	28.6	d17	1.9	5.1	10.3
Mar. Oct.	Jennings SA0.50	64	—	†Ar10	3.6	3.6	7.7
Mar. Aug.	J'hns'n Ried 50p	302	3.6	18	♦	3.0	♦
July	Jones Edwd. 10p	25	29.5	27½	1.7	11.7	5.1
Jan. Aug.	Ken'r'Wensta 20p	35 xd	12.7	18	1.1	8.6	11.0
Nov. May	Kenkast 10p	15	19.4	d7½	1.1	5.0	18.6
—	Kennedys'	140	2.4	†22½	1.7	4.1	14.7
Mar.	Kier (J.L.)	154	15.2	†d22½	2.2	4.2	11.0
Apr. Sept.	Lafarge	43	28.6	8.4	0.9	4.9	21.9
Dec. June	Laing (John) 'A'	115	17.5	A9	2.4	2.0	21.4
Apr. Sept.	Latham Jas.(£1)	210	8.8	12	♦	5.9	♦
Nov. June	LeadIndsGp50p	118	8.5	11	1.9	4.6	11.5
Nov. Apr.	Leaderflush (20p)	35	2.4	d10	0.8	5.7	20.7
Aug. Mar.	Leyland Paint.	53	15.2	†8½	1.7	6.5	11.0
Nov. May	Lilley (F.J.C.)	68	2.4	A12	2.1	4.4	10.8
Dec. July	Limmer Hdg.	19	28.5	1	—	1.8	—
Dec. June	London Brick	89½	18.4	15	1.5	4.2	15.3
March	Lovell (Y.J.) (£1)	172	16.2	10	1.4	5.8	12.4
Jly. Feb.	McLean(J.)(20p)	60	14.6	†416⅔	2.1	5.6	8.5
May Dec.	McManusGp10p	13	9.69	—	—	—	—
Nov. June	McNeil Gp.	31½	28.5	12½	1.0	9.9	10.6
Aug. Mar.	Macpherson(D.)	37 xd	12.7	†4	1.3	2.7	26.8
Mar. Aug.	Magnet Joinery	312 xd	12.7	52½	2.4	2.6	15.9
Dec. June	Mallinson (Wm)	65½	17.5	15	1.4	5.7	12.2
Dec. Jly.	Man-Abell	50	14.6	12	1.0	6.0	16.3
Nov. May	Manders (Hdg.)	58	19.4	11	1.6	4.7	13.4
Dec. Apr.	Marchwiel	250	8.8	20	3.8	2.0	13.0

CHEMICALS, PLASTICS, ETC.

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING AND METAL

FOOD, GROCERIES, ETC.

ENGINEERING AND METAL—Gen. Cont.

HOTELS AND CATERERS

HOTELS AND CATERERS—Continued

INDUSTRIALS (Miscell.)

"Recent Issues" and "Rights" Page

هكذا من الأصل

INDUSTRIALS (Miscell.)—Continued

INSURANCE

MACHINE TOOLS

MOTOR, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Aircraft

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPBUILDERS, REPAIRERS

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

STEELS

TEXTILES—GENERAL

TEXTILES—WOOL

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

Finance, Land, etc.

UTILITIES

OILS

RUBBERS—MALAYSIAN

RUBBERS—MISCELLANEOUS

SISAL

TEAS

India and Pakistan

TRUSTS, FINANCE, LAND—Continued

TEAS—Continued

Ceylon—

MINES—CENTRAL RAND

EASTERN RAND

FAR WEST RAND

O.F.S.

FINANCE

DIAMOND

PLATINUM

CENTRAL AFRICAN

AUSTRALIANS

TIN—EASTERN

TIN—NIGERIAN

TIN—MISCELLANEOUS

COPPER

MISCELLANEOUS

For Notes see Page 27

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Lombard

Judge by the song, not the singers!

BY C. GORDON TETHER

PARLIAMENT will more impress the public, Europe and the world," said Mr. Roy Jenkins in the House of Commons last week, "if we talk more about the issue and less about each other." What he could have usefully added was that the quality of the debate would be greatly enhanced if those participating in it dealt with the arguments on their merits and not solely in terms of the stature, past or present attitudes, credibility, and so forth of the politicians who happen to be identified with them.

"The point at which Mr. Wilson began to lose the respect of the House," said the political correspondent of the Daily Telegraph, "was when he proposed in all seriousness that a Select Committee should be set up to *ascertain the cost of entering* the EEC." After setting out Mr. Wilson's reasons for putting forward this proposal, he went on to comment that "many MPs greeted with mocking laughter what seemed to them a typical Wilsonian gimmick."

Debased

The clear intention of this report is to denigrate the whole idea *of an all-Party investigation* of the calculations and reasoning underlying the Government's contention that the balance of payments repercussions of entry are unquantifiable by implying that only someone deeply involved *in political gimmickry* would want to be identified with such a ludicrous proposition.

The thing of immediate importance it rings round is the extent to which the EEC debate is being debased by the suggestion that each and every argument must be automatically dismissed as a cheap debating *point if it does not happen* to have been advanced by someone worthy enough to belong to the home side.

Change of side

After all, if there is one thing that anyone sincerely interested in seeing that the so-called Great Debate reaches the right conclusion should be calling for it is the shedding of the maximum *possible light on all the dark* corners. Indeed, since the public is being told that the future of the country for a thousand years is at stake, it is obvious that no effort should be spared to achieve this result.

There can be absolutely no justification, therefore, for denouncing as gimmickry something that could make such a big contribution to this objective as an impartial investigation of the "unquantifiability" of the *payments effects just* because Mr. Wilson happens to have endorsed it.

Nor do arguments become less powerful—as the public is being encouraged to believe they do—because they are associated with those who earlier on were to be found on the other side of the battle line. The great majority of people—not excluding the politicians—had obviously given little thought to the implications of deep British involvement in the EEC until they suddenly realised a short time back that this time it looked like being for real.

Ridiculous

It is no matter for *surprise* that, when they did consider the idea in earnest, they not infrequently came to the conclusion that the *superficial judgments* they had made earlier on were wrong. This apart, the very fact that the whole EEC project has changed out of all recognition even within the space of the past year or two provides *ample justification* for changing one's mind about the wisdom of British participation.

And how ridiculous it is to maintain that those who supported entry earlier have no right to oppose it now because *the terms are the same* as they would have accepted when the Government is insisting that the balance of payments effects of Mr. Rippon's deal are completely unquantifiable.

To suggest that Britain should *wait until the Six have sorted out* their difficulties, said Mr. Callaghan the other day, is to ensure that the whole of the Establishment including the BBC and the newspaper proprietors, "will fall on you like a ton of bricks." But why should *any sensible proposition* invite such a reaction?

This apart, the British people have a right to demand that their future should be decided in relation to the arguments themselves—not whether Mr. Wilson or any other politician can or *cannot* justify changes, real or alleged, in their reading of them.

THE LEX COLUMN

Seasonal swing at Trust Houses Forte

Coming in the thick of the Boardroom strife, the Trust Houses Forte interim figures do little to restore the market's confidence; a figure of £251,000 before tax and minorities is, it turns out, neither comparable to *last year's £691,000 (which* related to Trust Houses only) nor significant, since taking in *Forte has made the seasonal* swing even more extreme. So all there is to go on is a repeat *of the forecast made in the* annual report that the full year will show a "significant" *upturn, which has to be judged* in the light of the fact that last year's forecast, given at the time of the merger, was missed by around 11 per cent.

The trading background is that the overseas hotel side, operating largely in Miami and the Caribbean area, has felt the backwash of the U.S. recession. Although there could be some benefit from new Mediterranean hotels, the real recovery here *will not be seen until*, hopefully, the new winter season. On the other hand, the U.K. hotel side is much better placed as the expansion programme —speeded up to beat the March, *1973,* completion *deadline* for hotel grants—raises capacity. A short-term effect, however, is to exaggerate the seasonal pattern still further, with financial charges up to £2.61m. in the *first half, against £4m. for the* whole of 1969-70.

The upshot is that THF is still *below the internal expectations* at the time of the merger, but "significant" should mean at *least a 15 per cent. rise to* £11.3m. pre-tax—better than it might seem at first sight, given that taking in 12 instead of 9 months from Forte this time effectively means consolidating losses for the November-January period. On earnings of 8.8p a share against 7.6p the prospective p/e would be 14 at 123p, cheap but for the crucial point of the Boardroom feud.

See also Page 24

Burmah

Relative to BP, Burmah's share price has fluctuated much more widely this year than it did in 1970: the merger scheme with Conoco may have been abortive, but the policy behind it emphasised the point that Burmah was not so much a way into BP as a way out. The *situation has also been changed* by the group's own financing requirements (with convertibles *into Burmah itself*, and a *slice* of its Shell holding) as well as its exploration successes in Australia and the North Sea. So instead of the previously commonplace sum which put *Burmah's share price at a discount* to the value of its BP and Shell holdings we now find that the latter, fully diluted, come to about 405p against a share price of 457p.

That, of course, ignores a potential gains tax liability of about 86p per Burmah share, the assumption being that any future disposal of BP shares will find a way round that contingency. Even so, the relative share price cycle is at a very interesting stage, and Wood Mackenzie's current evaluation *of the group's trading assets* offers the market one way of putting things into perspective.

Where possible, the evaluation is based on varying multiples of 1970 earnings: the *lowest—four times—is applied* to the major India/Pakistan operations, giving them a *capital value of only £14m. against* 1970 pre-tax profits of £10.7m. On the other hand, a gross value *of £77m. is placed against three* areas—U.K. and European oil marketing ex-Castrol, U.K. *refining and exploration where there* is no producing income to offset it—which between them *managed to lose nearly £1m.* pre-tax last year. The assumptions here are decent profits, in 1971 and 1972 respectively, from marketing and refining. As for exploration, Burmah's low cash generation—reflected in a net cash outflow of nearly £42m. in the three years 1968-70—has obviously been restrictive; but it must also have been an impetus to the part-trading of concessions, which allows a *value to be placed on the* Burmah residual.

The upshot, again with *convertibles converted, is a value of* 143p a share for the trading side which, after taking out Preference capital, puts it on a notional discount of nearly 60 per cent. The question is *whether that will cut much ice* with a market used to criticism of Burmah's management particularly where expensive U.K. acquisitions and the much delayed Ellesmere Port refinery are concerned. Burmah's answer, on acquisitions, is that they were tactical rather than strategic—given the need for U.K. cash flow and profits in a tax loss situation — pointing to its pruning of filling stations, withdrawal from paints and the cutback in garage machinery service as evidence. Proof of the pudding, obviously, will be in the way trading operations perform from now on.

Foseco Minsep

Its 23 per cent. holding in Bamangwato Concessions lent a speculative flavour to the solid quality of Foseco *Minsep's* earnings. But the cost of maintaining that sort of stake through *the major financing programme* required to bring the mining rights into production is spelled out in to-day's circular detailing the new arrangements for Bamangwato. Foseco's current *investment is £2.2m.*, up from £1.4m. in December: to keep up in the game Foseco would have had to fork out nearly another £2m., the bulk of its present cash resources, with no likelihood of any income for several years. Then it would have had to guarantee loans of up to about £11m., seriously restricting its own borrowing freedom, and to cover its slice of any overrun costs.

The chosen alternative will leave Foseco with a net cash inflow of around £1½m. and a 5.73 per cent. stake in the ultimate equity of Bamangwato's holding company Botswana RST, with a notional value of £2m. odd. The perspective for that is Foseco's own market capitalisation of £64m., where the strength of the shares at 148p on a p/e of 22—right in front of decision day in the U.S. steelworkers' pay talks—is a comforting reminder both that *last year had its share* of U.S. labour problems and of the scope left for further market penetration.

See also Page 25

Sudan in anti-Communist drive: more rebels shot

BY MICHAEL SIMMONS

SUDANESE firing squads yesterday executed more army officers for their part in last week's abortive coup, and the country's restored President, General Jafaar el Nimairi, announced that more than 90 per cent. of the Communist Party—reportedly 50,000 strong—had been "neutralised."

General Nimairi, interviewed by Cairo *Radio*, made *it* clear that his next immediate aim was to complete the formation of the Sudan Socialist Union and then, probably at the beginning of next year, to join the federation now linking Egypt, Libya and Syria.

Hardships

The federation was formed in December, 1969, after a meeting in Tripoli of General Nimairi with Colonel Khedaffi of Libya and President Nasser of Egypt. Egypt, said President Nimairi, had last week mobilised troops to march on Khartoum, and a top-level Syrian delegation had visited him to congratulate him on "overcoming the hardships" of last week.

Meanwhile, Sudan has broken *off diplomatic relations with Iraq* "as a natural step" for the alleged interference of the Baath Party in Sudan's internal affairs. General Nimairi dismissed as "rumour" the *suggestion that* Russia or China was involved, although a Libyan Minister said yesterday *the elements responsible* for the coup were "traitors and agents of Moscow and Peking."

Among those reported shot in Khartoum was Major Farouk Hamadallah, who would probably have been the rebels' Prime *Minister. Colonel Babakir el* Nour, who expected to become President, was also believed sentenced to death, but his execution was delayed.

The British Government's appeal for clemency towards *these two men, sent* by the Foreign Secretary, Sir Alec Douglas-Home, during the weekend, was rejected by General Nimairi. They were taken from a BOAC airliner at Benghazi last Friday, but later sent on to *Khartoum.*

General Nimairi said that "these traitors are Sudanese citizens and we must take the necessary action."

Our Cairo Correspondent writes: General Nimairi is attempting a *once-for-all* showdown with the Communists and his troops and security have been rounding up known sympathisers since last Friday, filling Khartoum's jails with them.

There is still no news of the *fate of Abdel-Khalek Mahgoub* the Party secretary-general, who escaped from jail on June 30 and and was reported here as having held a secret Party meeting shortly before the coup.

Three leading Communists already caught by Nimairi's troops are Shafi Ahmed el Sheikh, chairman of the Trade Unions Federation, Dr. Mustafa el Khogly and Joseph Garang, Minister for Southern Affairs in Nimairi's own Cabinet. They are all to face trial. General Nimairi said that most would be death sentences because of the magnitude of the crime. Six military tribunals are trying the coup leaders at a camp outside Khartoum.

General Nimairi praised the role played by his Defence Minister, Major-General Khaled Abbas, in reversing the coup. He was on a tour of Eastern Europe when the coup started last Monday, returned to Cairo on Tuesday and broadcast on Wednesday over Libyan Radio, ordering an armoured force to advance on Khartoum.

A member of General Nimairi's Cabinet said that there was "no change" in Sudan's *relations with the USSR. The* Russians have over 1,000 military advisers in the Sudan and have supplied the Sudanese Army with much equipment.

Launching Mersey's new Docks Company

By Our Own Correspondent

LIVERPOOL, July 25.

THE executive committee of the Mersey Docks and Harbour Board will meet here to-morrow at the start of a week which could see the emergence of the new Mersey Docks and Harbour Company.

The controversial capital reconstruction *Bill*, which will bring this about, was given an unopposed Third Reading in the House of Lords on Friday, and it now goes back for the last time to the Commons on Tuesday. Although there could be a debate it is unlikely that *this* will hinder the passage of the Bill to its final stage, the Royal Assent.

If this course is followed, the last meeting of the Board in its present form will be in Liverpool on Thursday. Then will follow an intensive behind-the-scenes administrative operation likely to go on throughout next week-end to launch the new company on the following Monday.

If the operation does go according to plan, the new Mersey Docks Company will be able to raise its own funds on the *open market, following the eight* months' freeze on the Board's activities after the appointment of a receiver by the Government last November.

Buyers back CBI price curb call

BY HAROLD BOLTER, INDUSTRIAL CORRESPONDENT

PROFESSIONAL BUYERS *responsible for expenditure* at the rate of £18,000m. a year intend to give firm support to the Confederation of British Industry's initiative on prices restraint.

This was made clear last night by the *Council of the Institute* of Purchasing and Supply, to which the buyers belong, on the eve of the distribution of letters from Sir John Partridge, the CBI president. They will go to 200 leading U.K. companies, calling for a written undertaking that, in general terms, they will not allow their prices to rise by more than 5 per cent. over the coming year.

Members of the IPS have agreed to do "everything within their professional capacity" to ensure that the CBI's policy is extended to all industrial and public purchasing.

"We think that the 5 per cent. mentioned by the CBI should be the absolute upper limit, and we are very hopeful that increases can be kept below that figure," Mr. Peter Emery, Conservative MP for Honiton, and director of the Institute, said.

Some of the U.S.-owned car manufacturers in Britain went out of their way to deny reports that they had decided not to support the CBI plan. British Leyland has already decided to *sign* the undertaking on price restraint.

"The CBI scheme is obviously very important and requires deep and mature consideration. When the company receives the proposals next week, they will be considered very carefully," a Chrysler U.K. spokesman commented.

Although final decisions have not been taken by Ford and Vauxhall Motors, it is believed that Ford, at least, is prepared to sign the CBI pledge.

Although the result of the CBI initiative will not be known *until later this week*, the Confederation is confident that *the vast majority of the* 200 companies will support its proposals, in view of the counterbalancing reflationary measures introduced by the Government and the need to check inflation of prices and incomes.

The Westminster City Council pointed out yesterday that local authorities will come under some pressure to avoid any increase in charges if possible, or to restrict any necessary increase to 5 per cent. or less.

The Council emphasised that rates were looked on not so much as a tax but as a cost by commerce and industry and individuals, and that those charges would also come under special public scrutiny.

Legal wrangle over Guernsey 'settler homes'

THE HOUSES of rich "settlers" in Guernsey have been caught up in a legal wrangle. Some of the £30,000-to-over-£100,000 homes *may be taken out of a "pool"* of several hundred set aside for occupation by outsiders.

The wrangle has been caused by a new interpretation of part of Guernsey's Housing Control Law, 1969, which states that no *house divided into two or more* units may be in the pool.

Already 12 properties—some split into flats—have been struck off the register.

Deputy Cecil de Sausmarez, a member of the island's Housing Authority, said last night: "I do not think there is any reason to be worried about this. The people living in the struck-off houses will get licences allowing them to stay. Nobody can tell at the moment whether the law will be amended or not."

Continued from Page 1

Testing week for Wilson

about 20 which are anti-Market and only two favouring the entry terms negotiated by Mr. Geoffrey Rippon.

Labour politicians expect Mr Wilson to try hard to produce for the NEC a rational, credible explanation of his personal decision to reject the terms. But anti-Market members of the executive suspect that eventually he will be quite content that Britain should join the Market as long as he and the majority of the party are on the record as having opposed the terms. At the next General Election the Conservative Government would then bear the brunt of any short-term unpopularity.

The anti-Marketeers will therefore attempt on Wednesday—and again at the October conference —*to commit the leadership to a* pledge that the next Labour Government would pull Britain out of the EEC. This, however, will be firmly resisted by Mr. Wilson and most of his senior colleagues.

They are genuinely alarmed, as are most Labour MPs, about the danger of the Common Market issue splitting the Labour Party in two, with a renewal of the type of bitter political warfare that once raged between the Gaitskellites and the Bevanites.

Mr. Wilson and Mr. James Callaghan, the party treasurer, will be among those at Wednesday's meeting who will try to find *a formula for rejecting the* present entry terms which will not seem to rule out British membership for all time. They will have a difficult task.

Some of their closest colleagues believe that the greatest *problem for the party in recent* weeks has been the utter failure of Mr. Wilson and Mr. Roy Jenkins, the Deputy Leader, to consult each other about the tactical handling of the Common Market issue.

This was one of the main points made at last Wednesday's outspoken meeting of the "shadow" Cabinet. It appears *that the plainest speaker there* was Mr. Bob Mellish, the Chief Whip, an extrovert ex-docker who is said to have lambasted Mr. Jenkins for his Common Market speech to the Parliamentary party on the Monday. He accused Mr. Jenkins, in effect, of attacking Mr. Wilson, *of failing* to take account, as Deputy Leader, of the need to preserve party unity, and of failing to appreciate how the MPs would react to his brilliant speech.

According to some of those present, Mr. Mellish argued that the recent party bitterness over the Common Market had started with the claims of Labour's last Common Market negotiator, Mr. George Thomson, and Mr. Michael Stewart, the former *Foreign Secretary, that they* would have recommended the last Government to accept the present terms for entry.

He said that it had been escalated by Mr. Wilson's speech to the party conference, *when he had accused former* Cabinet colleagues of making "irresponsible" statements. The temperature was then raised further, according to Mr. Mellish, by Mr. Jenkins two days later in a speech which should have shown greater understanding of Mr. Wilson's problem. As *Leader he had to take account* of the anti-Market views expressed by the majority of the party inside and outside Parliament.

Mr. Mellish's diatribe is said to have been followed by a "great silence."

Mr. Jenkins is said to have maintained that his speech had been misinterpreted and slanted to increase divisions and strife in the party, and that he had certainly not intended to criticise Mr. Wilson. He pointed out that *he had been under great tension* after Mr. Wilson's conference speech.

At the end of a long discussion, the "shadow" Cabinet agreed that Mr. Wilson and Mr. Jenkins would consult each other *more frequently in future.*

Ulster: both sides turn on Maudling

BY OUR OWN CORRESPONDENT

BELFAST, July 25.

MR. REGINALD MAUDLING, *the Home Secretary, became this* week-end, for diametrically opposed reasons, the centre of *an increasingly bitter personal* attack from both supporters of the Government and Opposition at Stormont for his handling of events in Northern Ireland.

Rank and file Unionist opinion, in and out of Parliament, is now *convinced that it is the Home* Office which is effectively blocking the imprisonment without trial of suspected IRA terrorists.

The Social Democratic Labour Party, which withdrew a week ago as the Opposition at Stormont, has said that the Home Office statement on Friday indicating that the battle against the IRA had entered a new phase, in effect amounts to the introduction of a policy of repression.

Treading a delicate path between the extreme passions at opposite ends of the spectrum, Mr. Brian Faulkner, the Northern Ireland Prime Minister, repeated in a speech in his constituency that whatever measures were needed to defeat the IRA and end the terrorist campaign would be taken. At the same time, he repeated that his offer to the Opposition of greater participation in the decision-taking processes in Parliament remained *open*, although this now looks an increasingly forlorn hope.

Whatever the success of the *exercise in terms of* psychological warfare, it is now clear that the dawn swoops on the homes of suspected terrorists and IRA *sympathisers on Friday made* little direct impact.

All but three of the 48 men taken for questioning have now been released, and a measure of the seriousness of the charges brought against those who have appeared in court is that all were granted bail. They are charged under the Special Powers Acts with possessing Republican documents.

Disillusion

On the Unionist side, the feeling of anti-climax following the highly-publicised Army initiative, coupled with another week-end of violence in Londonderry and Lurgan, County Armagh, has heightened feelings of disillusion. These will be reflected by Ulster MPs in questions to Mr. Maudling at a meeting of the Conservative Home Affairs Committee on Wednesday.

They will also be underlined by a delegation from Belfast Corporation which will ask for talks at the Home Office after a special meeting this week in response to protests by businessmen about continuing bomb outrages in the city.

Mr. Faulkner clearly had the disillusion of his supporters in mind when in his constituency speech he counselled against any "*private enterprise*" action against the terrorists.

The Premier said: "I know there are very many people who want to be actively rather than passively involved in the anti-terrorist campaign. To them my firm advice is—on no account be drawn into any kind of private enterprise activity."

Mr. Faulkner stated that there were no political restraints on any legitimate methods the security forces might recommend, but "Northern Ireland is not another Hungary or Czechoslovakia."

The Opposition's view came in a statement which said that "the first stage back to sanity is for the British government to accept the fact that the system of government in Northern Ireland created in 1920 has failed miserably.

In a comment to-day, the former Minister of Home Affairs, Mr. William Craig, described the *part-time Ulster Defence Regiment* as "a political blind," and said the time might be near when he would advise men to withdraw from it. What was needed was a fully trained and armed police reserve like the former "B" Specials.

Mr. Craig gave the clearest hint yet that direct rule of Northern Ireland from Westminster could lead to a UDI in Ulster, and direct rule, he emphasised "would mean the end of the Union," he said.

In the week-end violence, rioting continued for more than 12 hours in Londonderry after an Army truck had skidded and killed a nine-year-old boy in the Bogside. Ten soldiers were injured. The Army fired 243 rubber bullets and were attacked by more than 50 petrol bombs. In Lurgan six buses were *commandeered and burned.*

Suspicious

Dominick J. Coyle writes from Dublin: All of the traditional suspicions of successive Irish Governments about Conservative Party rule in Britain are coming to the fore as a result of Mr. Reginald Maudling's expressed determination to take all necessary steps to maintain the existing constitutional status of Northern Ireland.

Friday's swoops against IRA terrorists have raised in official Dublin circles the old argument that the Conservatives will never "do a deal" over Northern Ireland. It is not generally appreciated in Whitehall that the Government here took an extremely pessimistic view of Mr. Heath's election victory, mainly because Ministers here had managed to convince themselves—despite little evidence—that Mr. Wilson and Mr. Callaghan were determined to bring about some radical political changes in the North.

Weather

U.K. TO-DAY

A shallow depression covering the British Isles is filling and drifting slowly N.E. Most parts will have sunny intervals but there will also be showers, chiefly in the north and west. Most places will be warm, but North and North-West Scotland will remain rather cool and cloudy.

London, S.E., E. Anglia, Cent. S. England, E. Midlands, E. England

Sunny spells. Perhaps showers in places. Temps. rather above normal. Max. 23C (73F).

W. Midlands, Channel Is., S. Wales

Sunny intervals with scattered showers. Wind South to S.W., light. Max. 22C (72F).

N.W. Eng., Lakes, I. of Man, Cent. N. Eng., N.E. Eng.

Sunny intervals but some showers. Max. 22C (72F).

Borders, E. Scot., Cent. Highlands

Rather cloudy with showers but some sunny intervals. Warmer. Max. 20C (68F).

S.W. Scot., Argyll, N. Ireland

Rather cloudy, but sunny spells *later*. Max. 19C (66F).

Caithness, N.W. Scot., Orkney, Shetland

Rather cloudy with occasional rain. Rather cool. Max. [illegible] (57F).

Outlook: *Mainly dry at first.* Rain later.

BUSINESS CENTRES

		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Amstrdm.	C	22	72	Madrid	F	[illegible]	[illegible]
Bahrain	S	37	98	Manchstr.	C	[illegible]	[illegible]
Beirut	F	28	82	*Melbourne*	S	[illegible]	[illegible]
Belfast	C	19	66	Milan	S	[illegible]	[illegible]
Belgrade	F	27	81	Montreal	S	[illegible]	[illegible]
Berlin	F	29	84	Moscow	C	[illegible]	[illegible]
Birmghm.	F	21	70	Munich	F	[illegible]	[illegible]
Bristol	F	22	72	Newcastle	F	[illegible]	[illegible]
Brussels	C	23	73	New York	C	[illegible]	[illegible]
Budapest	F	27	81	Oslo	R	[illegible]	[illegible]
B. Aires	S	15	59	Paris	C	[illegible]	[illegible]
Cairo	S	34	93	*Prague*	S	[illegible]	[illegible]
Cardiff	F	21	70	Rio de Jan.	S	[illegible]	[illegible]
Cologne	F	25	77	Reykjavik	S	[illegible]	[illegible]
Copnhagn.	F	21	70	Rome	S	[illegible]	[illegible]
Dublin	C	20	68	Singapore	S	[illegible]	[illegible]
Edinb'rgh.	R	15	59	Stockholm	C	[illegible]	[illegible]
Frankfurt	C	25	77	Strasbourg	C	[illegible]	[illegible]
Geneva	C	26	79	Sydney	C	[illegible]	[illegible]
Glasgow	C	16	61	Tehran	S	[illegible]	[illegible]
Helsinki	F	23	73	*Tel Aviv*	S	[illegible]	[illegible]
H. Kong	S	31	88	Tokyo	S	[illegible]	[illegible]
Jo'burg	S	17	63	Toronto	S	[illegible]	[illegible]
Lisbon	F	24	75	Vienna	S	[illegible]	[illegible]
London	R	18	64	Warsaw	F	[illegible]	[illegible]
Luxembrg.	F	26	79	Zurich	S	[illegible]	[illegible]

HOLIDAY RESORTS

		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Ajaccio	S	27	81	Istanbul	C	[illegible]	[illegible]
Alxndria.	F	28	82	Jersey	C	[illegible]	[illegible]
Algiers	S	31	88	Las Plms.	S	[illegible]	[illegible]
Athens	S	29	84	Locarno	F	[illegible]	[illegible]
Barcelona	S	28	82	*Luxor*	S	[illegible]	[illegible]
Biarritz	F	20	68	Majorca	S	[illegible]	[illegible]
Blackpool	C	19	66	Malaga	S	[illegible]	[illegible]
Bordeaux	F	28	82	Malta	S	[illegible]	[illegible]
Boulogne	C	21	70	Nairobi	C	[illegible]	[illegible]
Casablnca.	C	24	75	Naples	S	[illegible]	[illegible]
Cape Tn.	S	18	64	Nice	S	[illegible]	[illegible]
Corfu	S	30	86	Nicosia	F	[illegible]	[illegible]
Dubrovnik	S	28	82	Oporto	C	[illegible]	[illegible]
Faro	S	26	79	Rhodes	S	[illegible]	[illegible]
Florence	S	32	90	Salzburg	S	[illegible]	[illegible]
Funchal	C	24	75	St. Moritz	S	[illegible]	[illegible]
Gibraltar	S	26	79	Tangier	S	[illegible]	[illegible]
Guernsey	F	20	68	Tenerife	S	[illegible]	[illegible]
Innsbruck	S	25	77	Tunis	S	[illegible]	[illegible]
Inverness	C	12	54	Valencia	S	[illegible]	[illegible]
I. of Man	F	17	63	Venice	S	[illegible]	[illegible]

S—Sunny. F—Fair. R—Rain. C—Cloudy. St.—Stormy. Sh.—Showers.